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# ***JPRS Report***

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# **East Europe**

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# East Europe

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## ALBANIA

### New Draft Program of Republican Party

91P20278A Tirana PARTIA REPUBLIKANE  
SHQIPTARE in Albanian Jan 91 pp 3-9

[Brochure]

[Text] The Albanian Republican Party [PR], born as a democratic aspiration of the people for expanding pluralism, is another historic victory for Albania and the continuation of Albanian democratic traditions, especially those in the 1920's. It will fight for the consolidation and strengthening of this victory alongside all the progressive forces of the country. Taking into consideration the condition of the political-economic system and in the interest of national unity, the PR will carry out its activity by means of an open dialogue with the people and political parties, opposing violence and the demonstration of force in any form, recognizing that work as the main source of a livelihood and the protection of public order are the main duties of each citizen today and the only road to the salvation of the country and to full and multilateral participation in the European integration processes.

#### Chapter I

The basic goal of the PR is to make Albania a free, independent, and sovereign republic state, with a deeply democratic multiparty system, in which the socioeconomic rights of the people, human rights and freedoms, and individual initiatives are protected and in which conditions are created for free development of the personality and of the good characteristics of each citizen. To achieve this, the PR:

- (1) Pledges to resolutely protect the human rights stipulated in international documents such as the UN Declaration of 1948, the Helsinki Declaration, the declaration of the Paris Conference, etc.
- (2) Firmly supports the creation and operation of the law-governed state. It calls for the approval of a constitution which clearly guarantees for all the development of political and economic life and of human rights, without allowing any distortions by means of laws and regulations.
- (3) Will be concerned with, will support, and will promote the justified demands of Albanian emigres.
- (4) Will respect the rights of the national minorities in Albania, acknowledging their complete equality, in all spheres of life.
- (5) Will militate for the limitation of the powers of the President, stipulated in the new draft constitution. The President will carry out his functions apart from the political parties.
- (6) Will militate to make the People's Assembly the actual holder of the power of the people so that it will

have complete jurisdiction over the government and the entire state structure and so that it will be cut off from the activity of the parties.

(7) Will militate to ensure that the structure and size of the armed forces correspond to our possibilities and that the armed forces move toward modernization and concentration. The slogan "the entire soldier people" should resound deeply in the patriotic spirit of the people, but not in the actual construction of defense, which involves manpower in practices and strategies which are not outmoded. The PR advocates the reduction of the period of military service and the improvement of the living conditions of the soldiers, along with economic development.

(8) Under the conditions of the development of democracy, it will militate for the considerable simplification of the internal affairs organs. It supports the stipulation, publication, and monitoring of expenditures for the maintenance of these organs. The state Sigurimi should be revitalized and transformed into a civilian institution, directed by a committee under the jurisdiction of the President.

(9) Considers it to be its duty to carry on a decisive struggle against bureaucracy and the artificial bloating of the state apparatus. The local governmental organs should be in charge of a broad area of self-government.

(10) Will militate resolutely for high morality and for the elimination of corruption in all spheres of life, especially in the state apparatuses. No state functionary, no matter what his rank can fail to be subject to the criticism of public opinion, nor can he rise above the law and enjoy privileges of any type. The PR is in favor of the publication of the wages of employees and functionaries on all levels.

(11) Will militate to ensure that political pluralism is effectively supported by the state and to avoid the financing of parties by unchecked sources. The PR favors the financing of parties out of the budget and the review of existing party property, buildings, and means amassed by the one-party system existing up to now.

#### Chapter II

In order to become integrated into current political life, while protecting in all circumstances the high interests of the independence and sovereignty of the country, the PR will militate:

- (1) For the pursuit of a peaceful, impartial, foreign policy. Apart from present or future groups, with vital relations of cooperation and mutual respect with all states. Priority will be given to good relations with the Balkan and Mediterranean states. The PR supports the integration of Albania into the CSCE as soon as possible.
- (2) For the devoting of special attention to the problem of our Kosovo brothers, aiming at the unity of the people and keeping this issue completely apart from the desire

and right to self-determination of Albanians living in their territories in Yugoslavia.

### Chapter III

In the framework of national unity, the PR will be involved in an objective public review of all the processes that have occurred in the life of the country during the past decades, in order to show the real achievements as well as the mistakes and distortions existing in the present-day political and economic situation. To achieve this:

(1) The Institute of Rehabilitation should function effectively. Persons who are sentenced unjustly will receive material and moral compensation. Every action will take place on the basis of law and will be guided by the principle of strengthening national unity.

(2) The PR will aim at instilling in the social consciousness an unshakable belief in the multiparty system; freedom of opinion and public debate will be permanent and living elements of our progress and reality. No party, group, or person can claim a monopoly on knowledge of the truth and the best choice.

(3) The PR is opposed to discrimination on the basis of social or national origin or for political reasons. All citizens are equal before the law. The PR is opposed to any interference in the family life and private life of the citizens, in correspondence, in private residences, in a person's right to move and to choose his profession and residence. The right to private property, to the inheritance of property, and to free initiative should be respected by law.

(4) It seeks the review of all legislation and its purging of any antidemocratic spirit. Judicial processes should be open and the defendant is considered to be innocent until his guilt is proven by court decision. The PR supports the elimination of the death penalty.

(5) The PR supports freedom of conscience, the right to be a believer or an atheist. These are private matters for each person. It places the interests of the country above the interests of any religious or atheistic group. Buildings belonging to religious sects should be returned to them, with the exception of museums which are part of the national cultural heritage. The state should have laws protecting religious institutions.

### Chapter IV

The PR will devote all its efforts to helping various strata of the population to find themselves in a society in which love, respect, and understanding among people of different professions, genders, and ages will predominate. To achieve this:

(1) It will firmly defend the main economic, political, and social interests of the workers, peasants, and employees. It will seek the establishment and operation of free trade unions so that they will be truly democratic and militant organizations in the defense of the interests

of their members, in accordance with national interests. The PR recognizes the right to strike.

(2) It calls for the state to become involved in organizing economic emigration, in the struggle against unemployment, which will become more evident when the reconstruction of the economy begins, giving priority to the protection of the unemployed on the basis of international law. In the future, material assistance will be given to the unemployed.

(3) It will militate persistently for the rights of Albanian women in the cities and the villages. The lessening of the burden of women will be stipulated by law and will not be just a slogan. The PR approves of the use of contraceptives by couples to prevent unwanted pregnancies and it approves of abortion. The state will take effective measures to take care of orphaned, abandoned and abused children.

(4) It will work to encourage state and social organs to take a strong interest in the needs of the youth, in accordance with the conditions and demands of the times. They should be given an opportunity for contacts with Europe and the world. Every young man or woman, city or village resident, will be free to choose his or her studies and type of work.

### Chapter V

The PR will work to achieve the complete freedom of the press and of creativity, as a powerful lever for defending democracy and for satisfying the needs of the people for the intellectual life that they deserve. To achieve this, the PR:

(1) Will work to ensure that the people will get complete, objective, and competent information in all fields of life. It will seek to give status to journalists, in accordance with all the rights which they enjoy in the progressive countries of the world.

(2) Will work to ensure that, in the field of arts, literature, and criticism, there will be complete freedom of creativity and discussion, freedom to publicize various creative trends which are of a humanitarian and democratic nature and which are based on progressive national and world traditions.

(3) Will work to ensure that our scientists, technical experts, and artists occupy the appropriate place in the bosom of the people and are honored on the basis of real contributions and worth. The PR supports the reviewing of copyright laws and regulations.

(4) Will become involved in the struggle to eradicate from the educational system all politicization and ideological indoctrination as well as the bureaucratic system which permeates practical activity and military training. It will militate for an educational program on the European level, casting out criteria of selection based on biographies and manipulation which leads to corruption. In order to raise the level of the education process, the

path of specialization abroad and the importing of skilled teachers from abroad will be followed.

#### Chapter VI

The people and the People's Assembly should receive exact and timely information on state activity on all levels, on the real situation in the economy, on international relations, etc. The PR thinks that it is essential to publish a complete statistical yearbook for 1990 and for subsequent years, so that the people will be fully informed about the real situation in the country. To achieve this:

- (1) The PR advocates a system with many forms of ownership (state, collective, private, and mixed types), with a trend toward the expansion and strengthening of private ownership.
- (2) The transition to the free market remains the only effective way for the economy to emerge from its backwardness. Under the current conditions of a strictly centralized economy, this transition should take place in stages.

At the present time, the PR supports the privatization of retail trade, communal services, and the artisan sector, as well as enterprises producing consumer goods. There should be stockholder-owned enterprises, with investments by workers and the state.

(3) In order to put creative energies into movement and to reconstruct the economy and introduce modern technology as quickly as possible, the PR is in favor of encouraging, in all forms, the creation of joint enterprises, the acceptance of credits, and the soliciting of investments from foreigners and from Albanian citizens, giving priority to the latter, especially in the services sector. The People's Assembly must establish clear norms regarding the powers of the government in this area. The government will provide the public with extensive information on the nature, content, and conditions set forth in contractual agreements. The workers and specialists have many interests which must be defended in the best way possible. They should be given an opportunity for training so that they can become equal partners in enterprises and joint companies.

(4) The PR gives the greatest attention to the villages. It considers the peasantry, the broadest stratum of the country, to be a force that will play a decisive role in the fate of the country. It will invest all its material and moral potentials in elevating the peasantry to present-day European levels as quickly as possible, abandoning the idea that all agricultural activity should be related to the effort to produce bread in the country. It wants the development of the village to be oriented as follows:

- (a) the land should be given to the person who works it;
- (b) buying and selling land should be prohibited by law;
- (c) the peasants, themselves, should decide whether or not agricultural cooperatives should exist;

(d) the state should be seriously involved in providing assistance for raising the level of mechanization, and providing technical assistance for reaching present-day levels of mechanization;

(e) the banks should give low interest loans to individual peasants, groups, or cooperatives for seeds, animals, equipment, constructions, etc.

#### Chapter VII

The Republican Party, by means of this minimal program, in addition to working for the complete establishment of democratic freedoms, seeks to satisfy the pressing needs of the people, such as the need for food, housing, employment, and the extension of vacation time. This program will be adapted to the changes which might be made at the national conferences, up to the first party congress.

### CZECHOSLOVAKIA

#### Impact of New PAV Platform on Slovak Politics

*AU2703145091 Bratislava NARODNA OBRODA in Slovak 25 Mar 91 p 3*

[Commentary by Peter Malar: "An Influential Political Body; the 'For a Democratic Slovakia' Platform Has Definitely Been Constituted"]

[Text] Another political force was quite officially constituted on Saturday [23 March] at a "working meeting" of the Public Against Violence-For a Democratic Slovakia [PAV-ZDS] joint platform in Martin.

This political force is not negligible, if one considers the fact that its leaders include the Slovak prime minister, Slovak Government ministers, and deputies to the Federal Assembly and the Slovak National Council.

From the auditorium, the proceedings were followed by Jan Budaj as a rank-and-file sympathizer, in addition to other well-known personalities.

The almost 400 participants in this first joint appearance of the PAV-ZDS platform demanded loudly his [Budaj's] participation in the organizing committee. Even though Jan Budaj politely declined, he promised to help.

An even greater asset of this new political movement (it must apparently be understood as a movement, though it refuses to break away from the PAV), however, is the support that it commands among citizens. The actual extent of this support was indicated, for example, by the rally and the signature campaign organized by the trade unionists of the Turcianske Engineering Works Saturday [23 March] morning.

Prime Minister Meciar's popularity among the people of Martin could not be questioned by anyone and it would probably not be difficult to stage a similar scene in any other Slovak city. No political adversary can afford to

ignore the popularity of Meciar, and also Knazko, Budaj, Huska, Filkus, and the other PAV-ZDS protagonists.

The meeting of the ZDS political platform was attended by representatives from 33 of Slovakia's 37 districts and from three of Bratislava's five boroughs. These figures do not, however, accurately reflect the true extent of support among PAV members for the new current of opinion because in many districts ZDS supporters represent the minority among PAV functionaries and activists. On the other hand, ZDS supporters definitely do not represent the minority among PAV voters and, in particular, among the general civic public. The meeting identified as one of its main tasks to found PAV-ZDS clubs so that the coming days will demonstrate the true extent of support enjoyed by the PAV's pro-Meciar wing.

Even at the meeting in Martin, the PAV-ZDS platform protested against being labelled "leftwing." It has once again, and emphatically, embraced the PAV's original program and it aspires to turn the PAV once again into a movement of the widest public support. It is impossible to ignore the fact, however, that in spite of the polarization of forces in the original PAV, the new platform is still quite heterogeneous as regards opinions. Though it did not come about overnight but has taken shape over a longer period of time, today it is united mainly by opposition to the former PAV Coordinating Center and its underestimation of Slovak national aspects in federal politics and by the effort to modify the economic reform so that it respects Slovakia's specific starting positions. It remains to be seen how long this will suffice [to hold the heterogeneous platform together].

But the fact is that there is definitely a new political body in Slovakia since Saturday [23 March] and, no matter how immature it may still be, both Prague and the Prague Castle must take its existence into consideration.

### **Preservation of Integrated Civic Forum Recommended**

*91CH0403A Prague FORUM in Czech 26 Feb 91 p 2*

[Article by Petr Prihoda: "On the Cutting Edge"]

[Text] Something is beginning and something else is ending, which evidently is all fine and well. Nevertheless, besides useless things, some useful things also are nearing their end, and there is much in the new beginnings that is discouraging.

### **What Is Swept Away by Time**

The bell has tolled for the "sixty-eighters," the individuals who realized that socialism must be reformed but wanted to do it in a way that it would continue to be socialism, albeit in its more tolerable form. However, socialism is a blind alley of history and its renewal is nothing more than a pipedream. Some people remain reluctant to admit that fact; what characterizes the

sixty-eighters is their practice which is seldom creative but very often acts as a brake and obstacle.

For many years the sixty-eighters have been known for their incompetence. Nevertheless, the bell of time tolls now also for the dissidents, and that is a new phenomenon. Who are they? Not everyone who once used to be active is a sixty-eighter, just as not everybody involved in dissent is now a dissident; a dissident is only that individual who adheres to the political theory and practice of dissent. Dissent offered an inexorable diagnosis of the nonviability of socialism and prepared a method of defiance to totalitarian dictatorship. However, diagnosis is not a therapeutic concept, and defiance has no purpose anymore. A diehard dissident may be recognized by the fact that he can offer diagnoses that often are accurate but he cannot inspire and persuade.

Although the time of dissent as a method of political life is ending (the same shift is evident in Poland and Hungary), many people are rushing conspicuously to toll the bell for it. By the same token, there are some things which still remain in the dissident movement that should not disappear: a good deal of political culture, especially the art of reaching consensus, in other words, fundamental agreements.

### **Difficulties of a Trial Run**

The aspiration of the sixty-eighters was to correct socialism; the aspiration of the dissidents was authenticity in conditions of illegality, a "parallel state." The aspiration in the current situation should be a cure for our gravely ill society. We have a number of realistic, although not always comprehensive diagnoses, but only one prescription for treatment. Our only therapeutic method is the macroeconomic program for economic transformation. Its critics are doing their utmost but they cannot come up with another alternative.

Nonetheless, a one-and-only program may not necessarily provide the right solution. After the war there also was a one-and-only program, namely, socialism. It had its critics, but again no one at that time would offer another alternative.

Is anyone at present willing to implement our one-and-only program? Indeed there is, namely, the Civic Forum; that is what people used to say until recently. Today only a part, perhaps only a tiny part, of it remains. Has the bell tolled for it too? How can that be after its remarkable start in November?

Initially its leaders were the dissidents. Their characters were forged in a closed ghetto at a time when it required courage even to state an idea, which was as much as could be done at that time. Then they took over the orphaned political and ideological power. It was not possible to grasp the economic power. No wonder that the political power proved to be too much for them to tackle. For a while they succeeded in winning over the majority of our public and turning it into a kind of broader Charter 77 forum.

It was a confused majority that wanted to hear instructions and the command to action so that the revolutionary initiative would flow forth from Wenceslas Square and from Prague's roundtables over to other towns and spread far. That did not come to pass. The long years during which our dissent lived in isolation among a callous nation had done its work. It is difficult to put all the blame on the former or on the latter; both sides lacked understanding. That was revealed shortly after the November revolution by an act that was highly typical for dissent: the amnesty. That time our public was forgiving but it did not forget.

Until last summer the alliance of our dissent with a major part of our public was held together by fear of the so-called old structures and dark forces. Its culmination was the June elections. Thereafter the antitotalitarian vanguard began to crumble. Our society found itself in an active zone of concurrent strains and pressures. One of those forces is inertia.

Another force is our desire to save ourselves from a deep, all-around decline that, alas, is only partly evident. Someone gave a name to that aim: "Return to Europe." It may be better to speak first of returning to one's inner self, to the lost autonomy of the spirit, to God. But the "Return to Europe" sounds more plausible because Europe may also be viewed in terms of shop window displays in Vienna or Munich. The real Europe is cautiously sympathetic but not very understanding. It imposes its conditions: Think, act, and manage business as we do; how is it possible that you are failing? The dictum of the superficially conceived Europeanism overly emphasizes imitation. We haste to establish institutions of parliamentary democracy, and advertising agencies are adopting Western styles, although it is not at all certain that we can afford them.

#### Barbarians at the Gate

We have furnished ourselves with institutions but as soon as some real problem occurs—with the nomenklatura, authority, restitution, and so on—helplessness, distrust, and malice take over. Hence the growing popularity of such periodicals as CESKY EXPRES, SPIGL, and so on. Our society is still fragmented and prone to react according to the principle "every man for himself." Hence all those various pursuits of individual, group, institutional, class, local, and regional interests.

Then there is another response. Dissident diagnostics, which once used to circulate only stealthily among the initiated, are now widely publicized. They appeal to many people twenty to forty years old who thus far have been inactive and inexperienced but who are willing to join and serve a good cause. The victory of the OF [Civic Forum] in June was mainly their doing. They gained an important status and role, but they are dissatisfied with the half-finished "revolution" since nothing around them has changed. In general, they are naive technocrats who are not interested in any intellectual doctrine of our dissent and moreover, who have no time to adopt it.

They are in particular helping expedite the dissidents' exit from the stage. Together with the readers of SPIGL and EXPRES, they suffer from a somewhat guilty conscience: While the dissidents were risking their necks, all these people used to dawdle, consume, furtively gripe but would not take any risks. Nevertheless, it is not difficult to guess how the competition between the thirty-something and the fifty-something will end.

At this time these angry men are the only activists in the OF. They are coming up with initiatives that are often poorly thought through. The intellectuals from the sometime dissent criticize their radicalism and call them "Jacobins." Yet they cannot provide necessary directions for their initiatives. They keep reminding them of democratic principles which the Jacobins find indigestible and boring. For that reason these men took a liking to our energetic minister of finance, a self-centered man in his fifties, who admirably linked his ambitions with a program for a cure of our society and state. Both sides are handicapped in similar ways. Both they and Vaclav Klaus are without any political culture and awareness of universality, which becomes obvious whenever [Klaus] speaks of anything other than economics. He offered guidance to the Jacobins and they offered him the fulfillment of a dream about concentrated power required for the shock treatment.

Despite semantic objections this alliance calls itself the right wing. It has completed the breakdown of the OF and intensified the mutual distrust between the representatives of its different trends. Their obscure polemics confused that large part of our public that had given its stamp of approval to the OF in June 1990. They have spread doubt about the success of the economic reform at the very moment when our society was coming to grips with the first price increase. To the fore comes now the reflex of self-preservation, "every man for himself," which may also be blamed for the current Moravian psychosis.

#### To Be Something More

All its ominous sound notwithstanding, one can understand the clarion call of the OF's "right wing" to storm the positions of power. To our naive technocrats it seems that the inertia of our society plus the indecision of our governments prevent the "scenario" from being implemented. They suspect the current representatives of our state and political power that, as dissidents, nay, as the sixty-eighters, they have their vision fogged up by outdated stereotypes of reformed socialism and abstract humanism. These opponents of the "right wing" began calling themselves "liberals" a bit hastily. They feared the experiments of the right wing, which compelled them to take the stance of self-preservation and which completely paralyzed their already modest initiative. However, if their positions would change, our "right wing" also would meet with defeat because it also looks at things through a fog, although in a different way than the alleged and actual cryptosocialists.



The "scenario" represents a sequence of dynamic measures, mainly of the macroeconomic type, that are supposed to get us out from the blind alley amid socialist ruins. Scenarios are essential if we do not want to stagnate or fumble; however, in the final analysis they are not staged by their authors but by history itself. The old saying that man proposes and God disposes applies here. If we fail to humbly recognize this supremacy of "history," history will take revenge on us with unforeseen complications and condemnable irrationalities. The impatient "right wing" did not harken to the still voice of history. It reduces existential poverty—in other words, a situation in which we are something less instead of something more—to a trivial political conflict which in fact it has thus stirred up.

Is it possible for the OF to avoid a disaster? In order to transform it into a "moral" society-wide institution, it must be depoliticized and stored away in archives. I do not know who, after such self-castration, would respect the authority of that association and its virtue out of necessity. To divide the OF into two fraternal parts, that calls for resignation to a resolution of an internal conflict which actually represents the essence of the controversies in our society as a whole, and secondly, it calls for a visible seal on that resignation. Both small parties which would be left would most probably fade into the colorful Czech political spectrum, and each of them would cultivate its own special interests exactly as it is done by the trade unions, Moravian regional patriots, members of the Populist Party, and so on.

I think that the OF should not throw in the towel, and consequently, that it should try to overcome its internal crises. Of course, in that case both parties—the individualistic "right wing" and the confused "liberals"—should surmount the confines that are restricting them, and become something more than they have been thus far. If their entrenched representatives are not up to that task, their places should be taken over by new people who would establish a new public square for a new synthesis.

## HUNGARY

### MDF Member Biro Urges Political Center

91CH0399B Budapest TALLOZO in Hungarian No 5,  
1 Feb 91 p 218-219

[Interview reprinted from MAGYARORSZAG 25 January with Zoltan Biro by Zoltan Acs; place and date not given: "A Center Party Is Needed"—first two paragraphs are MAGYARORSZAG introduction]

[Text] He tried to reform the Hungarian Socialist Workers Party from the inside. He was excluded from the party. He was one of the founders of the Hungarian Democratic Forum, and he carried its banner at Lakitelek. He quit the MDF [Hungarian Democratic Forum] voluntarily. Presently, Zoltan Biro feels very

well as a party outsider. He says that he is well balanced. One cannot tell how long he will remain a party outsider.

Biro ponders: "My fate does not leave me alone; it always pushes me into political situations in which I must stand fast in some way for a certain period of time." If he had listened to his heart, he would prefer to discuss the present situation of the country and of Hungarian society.

[Biro] By now the country's population is watching helplessly and in a paralyzed frame of mind everything that is taking place around it. I assume that the majority of the populace does not understand the causes of things that we are forced to watch so helplessly. In speaking of the country's situation and of things that we ought to do, no politician today could avoid making the embarrassing admission that he did not have anything encouraging to say even though he knew that the country has been waiting for something encouraging to happen. This holds true with respect to politicians of both the ruling party and the opposition. An admission like this would not come as a shock if it were uttered by a representative in parliament or by a citizen. Nevertheless, this question arises: To what extent is the government at fault? I do not believe that any other government could do much more at the moment, regardless of the state of the present government, even though many things could be said about it. They could be more consistent about correcting the mistakes they made, but they would not be able to say anything far more encouraging and specific. On the other hand, we should discuss our momentary situation entirely independent of the present government. I fear that at the start of 1991 there will not even be as much public confidence as the political forces and bodies could muster today.

[Acs] As long as we have reached this point, what kinds of political and economic solutions would you deem appropriate?

[Biro] At this point in time, politics should concentrate primarily on managing the economy. Presently, everything depends on the economy. I envision a way out by having part of our Western indebtedness written off. We should utilize political avenues to accomplish this. You may ask just what exactly I have in mind. I was thinking of the many long years in which Hungary received loans in order to sustain a greater degree of liberalism than the rest of the communist countries. These loans served to loosen up the communist camp to a certain degree. The lenders were very well aware of the kind of politics with which they financed their loans, and they knew about our antiquated economic system. It is for this reason that those who granted, and those who accepted these loans, more or less shared responsibility for today's situation on a 50-50 basis. West Europe must recognize the fact that there is no moral foundation for collecting these sums of money from an unfortunate people, or from the

political leadership which is trying to manage the transformation. Aside from morality, not even political rationale justifies collection of these funds from a country whose domestic policies are threatened with collapse.

[Acs] Well then, let's stick with rationality, perhaps because I do not believe that politics and business are guided by morality. Why should the West be helping us? Why shouldn't they help our neighbors or the eastern part of Germany? They could recover their investments faster and in a more secure fashion in Germany.

[Biro] I will argue with you on this point. The most important purpose of Western loans was to slowly dismantle the political system. Aware of the Hungarian economic situation, they did not expect to realize financial gains as a result of these loans, or to be more accurate, they did expect to realize mostly political gains. Liberalization and democratization was the price to be paid for these loans. Since in a political sense, a system change has indeed occurred, we did pay the price and the corresponding amounts should be written off. For whatever purpose they granted us the loans, we have delivered. In viewing this matter strictly from the standpoint of business, I will not contrast business to business, but rather business with politics. As long as business considerations have prevailed during the past 20 years, it would make no sense to permit other considerations to dictate at present. Let us disregard the moral considerations and let us only view the rationale of these things! If these countries are incapable of dealing with the burden that has been set upon them, the this process, which at this point seems to be progressing very rapidly, will slow down, or worse yet, will become impossible. A change like this would have been accompanied by great shocks because people would have easily sensed that not even a faint possibility existed for extricating ourselves from the predicament. At that point, the people might have declared that they had had enough. This could have triggered a series of cabinet crises, and raised doubts about the possibility of a complete system change. A situation like this would also represent a great threat to the West, particularly now, when virtually everyone thinks in terms of a unified Europe. A unified Europe consists of a federation of healthy nations. Starting out from the West, the path to the East leads through Central Europe, but if the intent to follow this path ran aground in our misery from the start, the West would once again have to prepare itself to find solutions within itself. This is because at that point, it could do nothing with East Europe. Meanwhile, a much greater price would have to be paid later than what they would currently lose by writing off part of the loans.

We may expect to receive help in the form of Western capital only if the economy is set in motion from the inside. There is no sign of this today because employees are still in a state of dependence, and small entrepreneurs do not yet see the sense in investing. Not even a psychological opportunity to motivate employees, entrepreneurs, or consumers exists in this embittered country. I do not know of any reason why Western capital should

flow to this country as long as all of these factors are missing, unless we believe that selling the whole country is possible. But this is not the goal in Europe and it represents no solution....

[Acs] Would this be the classic case of Catch-22?

[Biro] It is, and this is why we should bargain with the West to forgive part of the loans. We could use those \$4 billion that are due next year for the establishment of new economic structures and for the healing of our frame of mind. A strict economic policy could be based on the \$4 billion if it remained here. The World Bank, the International Monetary Fund, or any government might take a stern view of our nonpayment. They might do so in vain, because there would be nothing to be stern about. Imagine a situation in which overnight, a million people stopped paying rent, and their electricity and heating bills. Not only would the state budget be deprived of its revenues, but the entire legal order would be upset in the next moment. I would not be able to evict a million people with the help of police! By not being able to evict a million people I would also be admitting that I was unable to enforce the prevailing legal order.

[Acs] Personal tax, property tax, cigarette tax. Real estate taxes are the newest ones that we may expect.

[Biro] The latter will exert its destructive force in two directions. People who grow vegetables for themselves on 100-200 square fathoms of land will not be able to pay that tax. These people have put together a small family home or an apartment as a result of their lives' work. This tax will also destroy the autonomous local governments because they will either be swept away or will lose their credit worthiness, irrespective of the party which controls these governments. Citizens will not feel that the autonomous local governments belong to them, just as they no longer feel that parliament is their own.

[Acs] But these local governments need money to implement all of the measures the populace expects!

[Biro] I cannot give you an answer to that, and this is one of the lesser troubles. The greater trouble is that the local governments themselves are unable to give you an answer.

[Acs] Were you counting on these heavy consequences when you set out in Lakitelek to change the system?

[Biro] At that time we were preoccupied with ways of implementing a bloodless change. We recognized that the country had been heading toward a catastrophe during the last decade of the Kadar system. We more or less knew the kind of burden that the new government would have to carry. Since then, this has been discussed by Grosz, Nemeth, as well as by Antall. The only things that we have learned lately are the extent and the consequences of that burden.

[Acs] Once again there are many who curse the people. They complain about the people being apolitical. But the people are not stupid. Thanks to our economic situation,

and to the mudslinging and spitefulness among the parties, the people wisely say that at this time they must concentrate on survival. Consequently, they wisely retreat. They do so in a different way than during the past 40 years.

[Biro] Let me add that to a large degree, the people are correct in doing so. They see parties and representatives make disparaging remarks about each other and arguing about paragraphs. The latter makes sense and of course, has its purpose, but at the same time the people's standard of living has declined rapidly, and at 2000 hours they dare not go out on the streets for lack of security. They got fed up with the spectacle of individual performances in the parliamentary show. Any confidence they might have had in one of the parties seated in parliament has vanished. The people have turned their backs to the government as a result of actions taken by the government. From a practical standpoint, there no longer exists a political institution in which they could have confidence. In many places the newly elected autonomous local governments have also provided reasons for disappointment. The accumulation of these disappointments have made the people lonesome and apolitical.

[Acs] Could it be that you feel the same way? You retreated from the MDF presidium's politics at quite an early stage and remained a member of that body only as a matter of formality.

[Biro] No personal or factional struggles existed in the MDF between 1987 and the first half of 1989. In my view, the party began to drift thereafter. Any organization that drifts in politics loses itself sooner or later. It will be unable to show directions for people who gather around it and the organization will be unable to maintain itself. Emerging crisis symptoms may easily devour such an organization.

I described the reasons for my leaving the MDF in a letter forwarded to the presidium. It was published in *MAGYAR NEMZET*. At this time I will point out only two of the reasons. First, direction within the party became absurd both technically and from the standpoint of democracy. All of the leading bodies within the MDF became dysfunctional. They were essentially excluded from every important political decision. Simultaneously however, the MDF had to suffer through all of the consequences of bad decisions made elsewhere. This threatened the party itself. The other decisive reason was that they had had someone create an image for the MDF, and in part, the MDF designed a profile of its own by its own volition. It no longer corresponded with the intent and goal contained in the MDF program. The moral-political direction which previously characterized the MDF was missing. In response to the growth of certain groups which shared a common taste, the MDF declared itself as a rightwing party and created a conservative, right-of-center, Christian democratic image for itself that was hard to implement. The extent to which this image applied to the MDF as a whole made no difference. In

my view, it did not apply at all. Nevertheless, this image prevailed both in Hungary and abroad. I regarded this matter as premature and hasty because an organization like that had no offsetting force within the political structure. This is how a vacuum developed in Hungarian politics, in public thinking, and also within individual souls. I do believe in the need for a center party, one capable of representing democratic leftwing values jointly with national values. As of today, no party is capable of establishing a natural balance, a balance of partnership for this cluster of rightwing ideals.

[Acs] Do you mean to say that at this time Zoltan Biro is thinking in terms of a center party?

[Biro] I do believe that in the long run, a party able to fill the vacuum that I previously mentioned will evolve. Just when, with the participation of whom, and how this party will come about cannot be told at this time. All I can say in response to your question is this: People who consider this country's fate seriously and believe that they could play even the smallest role and assume duties in this regard, will obviously participate in these processes. They will do so to the best of their ability in a given situation and at a given moment. If these people do not feel inclined to join a party or to catalyze the organizing of a party, they will nevertheless do so at the appropriate moment and as soon as their sense of duty so demands. What else could they do?

Presently, I cannot see any political force capable of establishing a new party. If I could play a role in establishing a new party, I would probably accept this task.

## POLAND

### Accord With Norway on Visa-Free Travel

*LD2603144891 Warsaw PAP in English 1357 GMT  
26 Mar 91*

[Text] Warsaw, March 26—Polish Foreign Minister Krzysztof Skubiszewski received Norwegian Ambassador to Poland Tormod P. Svennevig to exchange diplomatic notes in connection with the Polish-Norwegian agreement on visa-free travel between the two countries which becomes effective as of April 15.

Under the agreement, the visa-free travel will cover trips lasting up to three months, and it will thus not be applied towards persons declaring their intention to stay in the other state longer than for three months or for good. Besides, persons planning to work in Norway will have to get visas.

As in the agreement with Denmark, every visit to Norway, Denmark, Finland, Iceland, and Sweden over the past six months made prior the present trip will be included in [calculating] the three-month visa-free period of stay. This is as a result of the agreement on cancelling passport control on the intra-Nordic borders linking these five Nordic countries.

### Schengen Group of Countries Lift Visas for Poles

AU2703103791 Warsaw PAP in English 1656 GMT  
23 Mar 91

[Text] Brussels, March 23—Belgium, the Netherlands, Luxemburg, France, Italy, and Germany agreed to lift visas for Poles as of April 8, 1991, the BELGA press agency reported.

The Belgian Government spokesman said the six EC countries were ready to sign an agreement concerning the issue on March 29. An official statement concerning the decision has not been published yet.

### Legislative Needs Before Parliament Dissolves

91EP0319A Warsaw ZYCIE WARSZAWY in Polish  
20 Feb 91 pp 1, 5

[Article by (par): "Most Urgent Legislative Needs Before Parliamentary Dissolution: Sejm Speaker and Government Spokesman for ZYCIE WARSZAWY"]

[Text] Calling for a quick decision regarding the parliamentary election date continues. Many political groups and organizations would like to see 26 May as the deadline. In the meantime there are almost 80 bills awaiting passage by the parliament, and the government has announced the intention of introducing new ones. On Monday, 18 February, Sejm Speaker Mikolaj Kozakiewicz and the Sejm Presidium met with Prime Minister Bielecki and the Presidium of the Council of Ministers.

The most urgent legislative needs were discussed at the meeting. This meant reviving the issue of the so-called legislative minimum, or bills, that the present parliament should pass before it dissolves itself, bills that are indispensable for the functioning of the state and the continuation of economic reforms.

Until now the government has not taken a stand regarding the parliamentary election date, maintaining that it is a matter within the Sejm's competence only. The government, however, needs the necessary instruments to continue governing and administering reforms. This also needs to be considered by the Sejm before it takes a decision regarding its own dissolution.

Is it possible to determine such a legislative minimum? What are the expectations of the government? How is the issue viewed by the Sejm? Answers to these questions were given to ZYCIE, following the Monday meeting, by Sejm Speaker Prof. Mikolaj Kozakiewicz and Government Spokesman Andrzej Zarebski.

**Prof. M. Kozakiewicz, Sejm speaker:** The Sejm Presidium presented a list of about 80 legislative bills which are awaiting passage. We think that 12, maybe 13, of them require immediate consideration. The government has announced the introduction of 18 more bills. In the next few days the Chief of Sejm Chancellery and the Chief of URM [Office of the Council of Ministers] will

try to establish together a list of those bills that should have priority in the Sejm. The government presents primarily bills pertaining to the economy; the Sejm emphasizes also matters of social-occupational nature. We believe that among priority legislation the following should be included: trade unions bill, the pension bill, housing law, etc.

Personally, I am rather skeptical about the possibility of determining such a packet of indispensable bills. We do not know right now what the parliament will decide regarding its dissolution, and we do not know when exactly the government will present drafts of new bills and what form they will have. Moreover, I expect pressure on the Convent of Seniors from different groups of deputies and also various social groups. For example, great numbers of letters are flowing in concerning the Fire Department bill, but is this bill really of the highest priority right now? I believe that determining the legislative minimum, or even trying to establish one, will create serious conflicts.

**A. Zarebski, government spokesman:** First of all, the meeting served to exchange information of the possibilities of legislative work. The two crucial factors in the present situation are the uncertainty regarding the election date and the people's expectations for reforms. To speed up the reforms we need certain legislative bills. From the government's accepted work schedule we know that by the end of April there will have been 14 new bills proposed, four will be presented at a slightly later date, and seven bills have already been introduced. In addition, we also think that five bills (introduced by deputies and senators) require more work. In total there are about 30 bills that should be passed if we are serious about reforming our economy. Among others, they are: bills on forming companies with foreign capital, a bill on payments for medications, a law on housing, a bill concerning LOT [Polish Airlines] privatization, a new banking law, a bill on financial management of state enterprises, education, and many others. There are also three bills dealing with changes in the functioning of the government itself, e.g., dealing with the creation of the Office of the Minister of Industry and Trade, and with the Central Planning Administration.

We understand that the Sejm is in a very difficult situation, since there are already many bills under consideration. The government, however, demands a guarantee that the indispensable ones will be passed. There were various proposals during the meeting. One of them suggested creating a means for speeding up legislation (first reading by committees). There was also a proposal for a possible granting of special powers to the government, but that is a rather complicated matter. To accept such special powers the government would have to have very strong social support. It is, therefore, something very difficult to resolve.

The meeting was of a probing nature. No decisions were taken. I emphasize, however, that the prime minister stated clearly that the packet of bills presented by the

government cannot be subject to any bargaining. This is a truly indispensable minimum.

### Union of Polish Cities Seeks Expanded Role

91EP0305A Warsaw PRZEGLAD TYGODNIOWY  
in Polish No 5, 3 Feb 91 p 6

[Article by Zygmunt Rola: "Get Into the ZMP [Union of Polish Cities]: Towns as Poor as People and as Capitalism Gets Closer, Poorer Still"]

[Text] Following the municipal elections last May, it became immediately obvious that it was the rebellious that had finally come to power everywhere. They had long been certain that they could quickly change the fate of their communities. Representatives of the cities' new self-government groups met within three months, first in Elblag and then in Gdansk.

### Together, Briskly

The president of Poznan brought a draft of the statute of the Union of Polish Cities [ZMP] to Elblag. Such a body had existed during the Second Republic, so suppose one were to be reborn during the Third Republic, too. It was in fact reborn, now, in the middle of January, at the insistence of 60 of the most indignant cities—there are 822 in Poland in all—but as a founding group, it sent signals to both the parliament and the government administration, because this newborn infant, the self-government, is healthy. It is crying loudly, and it already knows what its teeth are for.

Letter after letter went to Warsaw, to the Sejm, and to the government. The main topic was the crucial renovation of the regional self-government law. The idea of a compulsory union of gminas was delicately called "not well thought out," inasmuch as the interested parties had not been consulted. Eager to test the power of their money in small and large investments under the new conditions, the towns demanded that regulations be established to permit them to become formal partners in possible future domestic and foreign contracts.

But who would want to be associated with someone who is bankrupt? Like the gminas, the Polish towns are up to their ears in debt, owing to their unavoidable inheritance. The most irate founders of the Union of Polish Cities therefore presented their position to the Speaker of the Sejm last December: "It is essential that at the beginning of 1991, an operation be conducted on a one-time basis to erase the debts of the cities and gminas, using funds in the national Central Budget designated for the purpose. This operation should consist of covering gmina obligations and credit (including interest). The subsidy pool must in no way be reduced by the amount of the funds allocated in the 1991 Central Budget to relieve the gminas of debt."

The statement was forceful and clear, and because harking back to prewar traditions is well thought of

today, the debt cancellation demand ended on an appropriate note: "Let us mention that there is precedent for the operation of relieving the local budgets of debt on a one-time basis in connection with introducing the new principles of finance in Poland. Such a measure was introduced following in the footsteps of the law dated 17 December 1921 on replenishing towns finances, as the result of the efforts of the Union of Polish Cities."

To avoid any doubt over this ad hoc effort testing the competence of the new ZMP, the organizing group went after the Ministry of Finance at the beginning of January. It rejected the decisionmaking concerning the way total subsidies for the gminas were calculated for 1991 and protested any sort of calculations based on the state administrative bodies' regional taxes of...1989. Unbelievably enough, somebody at the Ministry of Finance failed to notice that drastic economic, organizational, and financial changes had occurred in Poland in 1990...

Up to the end, up until the Restitution Congress in Poznan, the ZMP facilitators could not decide whom to choose for a patron, because if the association was to have its headquarters in Poznan the controlling body should be the Poznan Voivodship governor. But how could the national ZMP be subordinate to him? The draft of the statute therefore specified that the prime minister was the patron. The congress itself ratified the statute, in which the Polish cities cry out in unison: "Only under your protection."

### Under Your Protection

"Mr. President," the statute said, "it is only under your protection that we want to submit ourselves today. It is true that we do not know what they will say at the Belweder or later in the Sejm, but it is already obvious that the union has called to mind the wise maxim that God helps those who help themselves."

But how, if hardly anyone has any experience? How are we to handle the recording of property and its conversion to municipal ownership when there are still so many bureaucratic barriers? How are we to resolve municipal problems, when, the closer we get to capitalism, the more poor people there are whom we are unable to help? How are we to deal with housing construction, water purification, the recycling of solid waste, the whole sphere of environmental protection, and "asthmatic" urban transportation? And, finally, how are we to run the urban bodies?

First, it is a good idea to look to others. We call this an interchange of experience, and this is the very reason for the rebirth of the ZMP. But another reason is to make it easier to use the money that international organizations and the governments of various countries would be allocating to aid Poland. A Polish delegation was therefore sent to the 12th Congress of the World Union of Cities in Cordoba, and Wojciech Szczesny Kaczmarek, the president of Poznan, who was elected chairman of the union, travelled to Strasbourg to a conference of local officials. The encouraging results of these trips were

confirmed in Poznan, where representatives of several international organizations and the German Union of Cities and Villages attended the Restitution Congress, bringing with them proposals that were interesting and thoroughly concrete.

That is not all, because the decision was made to create a lobby of urban self-governments to bring pressure to bear more effectively on the Sejm and Senate, that is, to influence decisions being made. Somehow it has already worked. First the cities' stand on financing self-government bodies was taken into account in the text adopted in the law, and then the demand to relieve the towns and gminas of debt met with understanding on the part of many deputies.

The postulate "Let us love one another" will probably not pass, however, although people at the congress often talked about the need for mutual understanding between the government administration and the self-government bodies and although it was shown that it was probably a misunderstanding that the self-government bodies now distrust the government. Now that "it is all ours," there should probably be no more pushing and shoving over the configuration of the organizational laws and over jurisdiction on both sides [as published]. There should be no sides. There are, though. The state wrenches jurisdiction away from the self-government bodies, and they in turn wrench jurisdiction away from the state. The conflicts and frictions are a daily occurrence, and interests, often petty private interests, are again gaining the upper hand.

One can think about an effective lobby, however, a large group or a strong, cohesive, prepared one. The ZMP is not that kind of representative group.

#### **Few of Us To Bake Bread**

Seeing the empty seats in the meeting hall, which had room for 240 people, more than one person attending the Poznan congress was probably thinking: "There aren't many of us to bake the bread." The blank spots on the organization's map are most obvious in the East and in Central and Southwestern Poland. Even towns within the Voivodships of Gorzow, Kalisz, and Pila, voivodships adjacent to Poznan Voivodship, declined to join.

Some, like Kalisz, are afraid of being dominated by Poznan. But after all, Kalisz is the oldest Polish town. People sneer that Poznan would like to become the second capital of Poland, thereby gleaning profits, splendors, investments, and hot cash. Others—Wroclaw is an example—are not sure that the union will be an effective organization. They say that, after all, it is silly for the group to have as members both large cities and small towns, like Sulejowki, Slesiny, Mlynary, Dolski, Lwowki, and Redy. They are not the equal of the great urban areas, where street cars rush down the streets.

Examples from the past (the prewar Union of Polish Cities) and foreign programs today, like the American Association of Sister Cities International, go to show,

however, that large cities and small towns have more problems in common than they have problems that are different.

According to the statute, ZMP represents only the interests of its members. Surely then one of the things that deterred Prime Minister Bielecki from coming to the Poznan congress was the very fact that not many towns have joined the organization yet.

There is no point in prophesying doom, though. Back during the time of the Piasts, Poland had a tradition of the cities and towns playing a role in public life. This tradition later broke down. Pawel Jasienica writes: "Historians agree that a great responsibility is borne by the towns themselves, which have catastrophically neglected collective positions and the joint struggle for the political rights of the entire urban estate. Occupied as they have been by haggling over individual privileges,...they have not only failed to bring the country streams of blessing, but on the contrary, have pushed it towards catastrophe."

#### **Helsinki Group Letter on Police Assault Reports**

*AU2803083291 Warsaw GAZETA WYBORCZA  
in Polish 25 Mar 91 p 1*

[Signed letter from the Polish Helsinki Committee to Prime Minister Bielecki on allegations that members of the police force have committed assaults on persons held in police detention]

[Text] The Polish Helsinki Committee has been receiving an increasing number of reports about assaults committed by functionaries of the state police on persons being held in custody. People have been beaten during interrogations and while they have been held in police cells. Motives for the assaults are the wish to extract confessions as well as plain, unjustified aggression.

At the present time we have reliable reports on 90 such incidents, which occurred between January 1990 and February 1991. The number of incidents has increased over the past few months.

The most serious incident, which was reported by people being held at the investigative custody facility in Bytom, concerned the beating of Tadeusz Nowicki, who died on 30 September 1990 while in detention at police headquarters in Bytom.

An assault by a policeman on a person who is in his custody is a very grave violation of the law. Incidents of this kind should be investigated in detail by the public prosecutor's office, but, as far as we know, very few such investigations are being conducted.

We ask you, Mr. Prime Minister, to take action aimed at eliminating this phenomenon and to ensure that a vigorous investigation is conducted whenever such an incident occurs. One way of dealing with this situation

would be to permit public supervision of police custody facilities. Such supervision could be exercised by specialist institutions, as is the case with those investigative custody facilities and penal institutions controlled by the Ministry of Justice. Three months ago, the Polish Helsinki Committee informed J. Widacki, the deputy minister of internal affairs, that it would be prepared to take on such a supervisory role.

[Signed] Maria Dziedzic, Wojciech Maziarski, Halina Bortnowska-Dabrowska, Jan Rosner, Marek Nowicki, Andrzej Rzeplinski, Zofia Wasilowska, Lech Falandysz, Danuta Przywara, Janina Zakrzewska, Wanda Falkowska, Anna Michalska.

### **Student Association To Retain Present Policies**

AU2803082591 Warsaw GAZETA WYBORCZA  
in Polish 25 Mar 91 p 2

[Article by J.M.: "What Is the Independent Association of Students?"]

[Text] "We are no longer a union, and we do not want to be a party," said Pawel Piskorski, the current chairman of the Independent Association of Students at the association's Seventh National Delegate Congress, which was held in Gliwice from 22 through 24 March.

A total of 133 delegates, representing 57 higher education institutions, debated the issue of whether the student organization should assume trade union status and whether it should develop a more political character. It was decided to maintain the association's present program and policy course. The need to respect individual liberty was stressed and the principles of the liberal free market economy were endorsed.

The congress was also attended by visitors from Lithuania, Latvia, France, and Romania.

The congress elected a 27-member National Coordinating Commission. Five members of the commission will form a presidium and elect an association chairman.

The congress authorized the association's governing bodies to conclude political alliances and election pacts with organizations whose programs do not conflict with the program of the Independent Association of Students.

### **Polish Radio Programming Changes Outlined**

LD2103181991 Warsaw Television Service in Polish  
1615 GMT 21 Mar 91

[No video available]

[Text] The programs of Polish radio are going to be more clearly differentiated from each other. From 1 April, the second program is to be devoted in its entirety to classical music and culture. From Monday to Friday a 15-minute cultural news program is to be broadcast. Magazines and reports from literary and musical events are envisaged; there will no mass culture at all. The

first program will be little changed, but will be heard more faintly due to maintenance work on a transmitter. The Third program, despite competition from local radio stations, will maintain its profile and intends to be financed from advertisements. The fourth program intends to cooperate with Radio Free Europe.

### **Radio, TV Broadcasting Applications Increase**

AU2503205391 Warsaw GAZETA WYBORCZA  
in Polish 20 Mar 91 p 5

[Article by (knysz): "About 350 Radio and Television Applications Submitted"]

[Text] There are about 350 applications for permission to broadcast radio and television programs waiting to be considered at the Ministry of Communications. Seventy-five of them are for television stations and the remainder set out ideas for the starting up of radio stations. Most of the applications have come from Warsaw, Gdansk, Wroclaw, Poznan, Krakow, and Katowice.

As Marek Rusin, deputy minister of communications, told us on Monday, the ministry started receiving applications for the allocation of frequencies a year ago, but for the past two months there has been a flood of applications. "We have been receiving as many 20 applications a day," is what he told us.

Originally, there were plans to make the end of March the final date for the submission of applications. "However, common sense suggests that the deadline should be extended for at least another month," says Rusin.

The problem is that there is no radio and television law. The draft law envisages that permission to broadcast radio and television programs would be issued on a competitive basis and would be considered by the National Radio Committee, the Ministry of Culture, and the Ministry of Communications.

"Until a law is passed by the Sejm, we will only issue permits to use particular frequencies in cases that prompt no misgivings whatsoever," said Rusin. However, he added that he hopes that he will not have to do that.

Jacek Snopkiewicz, the former head of Television Information Programming, is one of those seeking permission to start up a private television channel. Along with Aleksander Jakubowski, Zbigniew Domaranczyk, Kazimierz Zorawski, and Maciej de Korczak-Leszczynski, former television news colleagues who also handed in their resignations in January, Snopkiewicz has set up the Wakat limited liability company. The company wants to operate a round-the-clock FM radio station and a round-the-clock television channel. The programs would be regional (they would be received within a 50-60 kilometer radius of Warsaw).

"We want our radio station to be informational and educate," said Snopkiewicz, "and, most of all, our radio



and television stations will be independent of any kind of political influence whatsoever."

Wojciech Reszczynski, another former television news employee, has also applied for a frequency. Along with a company called Operator, he wants to set up a Warsaw radio station that would have the name "Wawa" and would provide 24-hour-a-day service in stereo on FM.

Those planning to establish Warsaw radio stations maintain that the capital's inhabitants will receive information fast from teams of reporters working out of automobiles. The radio stations would mainly provide information about what is going on in the capital, e.g., traffic jams, fires, meetings, and important events in the city.

## ROMANIA

### Parliament Alleged To Be Mere Rubber Stamp

91BA0358A Bucharest DREPTATEA in Romanian  
16 Feb 91 p 3

[Article by Victor Teisanu: "Annex of the NSF Regime?"]

[Text] Slowly but surely, our parliament is failing in its detachment; without any prior knowledge on the part of the population, who in fact will support them, it adopts laws fabricated by the government. Its absence of institutional character appears increasingly evident, because with few exceptions, those designated by the electorate are singing loudly in tune with the new leaders. How do they demonstrate their prerevolutionary anticommunism? Let us take a concrete look at how they "consolidate" our fragile democracy. Was it really in the interest of the Romanian people for President Iliescu to take control of the Armed Forces, like his predecessor? No; but the parliamentary choir decided that it was. Was it democratic to authorize the Army to use firearms against the population in the name of the NSF public order phantasm? No; but the parliamentarians who placed themselves above the humble population held another opinion. Did the stack of laws passed all during the year, create at least a legal framework for moving the rusty machinery of the socialist economy from its customary paralysis? There is no question that our legislators, some of them painfully smug, are proud of their achievements. They all speak of Miorita and of the Romanian peasant, but another year has passed and... And now, even the Law for Land Endowment does not transcend the imitation regulations of other economic sectors!

The parliament's concern to keep pace with the thinking of the national "tranquility" president is touching. Does Mr. Iliescu no longer care about the land and the millions of Romanians in Bessarabia, still under the boot of Bolshevik rule? In that case, even the parliament led by the recent Mr. Birladeanu will not take a position. It would seem that this involves exceptional grounds. Which means that part of the country's substance and

our Bessarabian brothers, martyred for all these bitter years, represent a minor justification to our government's institutions. A fine example of patriotism, indeed!

And what position did the parliament take on 1 December, when the national holiday in Alba Iulia was completely sidetracked from its meaning, to become an aggressive NSF meeting well choreographed by Mr. Ciontea's followers? Certainly not one of disavowal and of bringing the agitators to justice. But when in bereaved Timisoara, tens of thousands of citizens, with dashed hopes and with faith in the ideals of the revolution, found themselves one year later in Opera Square once more, asking that the guilty be punished and challenging a regime that is so obviously moving toward reformed communism, the Parliament, instead of a respectful and reverent salute, replayed a grotesque spectacle, profoundly insulting Timisoara's living and dead heroes.

As a matter of fact, in their own way, the administration's representatives are increasingly confining themselves within the walls of "democratic" institutions, avoiding the risk of direct contact with the masses, particularly with the young, although they brag everywhere that they continue to be supported by the people. Our glorious deputies and senators thunder and roar in the parliament's microphone, reducing to silence the "nonconstructive" opposition, even though in our country's parliament, this opposition reflects not the position of a party, but rather the growing wave of nonpartisan popular discontent. Does their echo not penetrate the well-padded walls of the building on Mitropoliei Hill? We think that the pulse of the revolution is taken in the cities in which people have died and in which their blood has flowed, and not in a hidden corner of Moldavia, where under the "national tranquility" slogan the NSF can still garner some electoral success. And what should be done by those of you in parliament, when the cities of the revolution proclaim that they are dissatisfied and betrayed in their expectations? Would it not be appropriate that you step out into the street, even if only now and then, to face the hundreds of thousands of disillusioned citizens? Because most of them are young, and do not appear drugged and subjugated by certain reactionary groups of the corrupt Western world, as Mr. Iliescu obsessively explains. And your haranguers would thus have an opportunity for some direct encounters with the country, as well as the pleasure of confirming in real life their gifts for eloquence and persuasion, that are so valuable in a respectable parliament.

### Ethnic Hungarian Leader Condemns Extremism

91BA0415A Bucharest ADEVARUL in Romanian  
14 Mar 91 pp 1-2

[Interview with Geza Domokos, president of the Democratic Union of Hungarians in Romania, by S.P. Achim; place and date not given: "No One Stands To Gain From Extremism"]



[Text] [Achim] Some of our readers continue to be puzzled by the following question: Is the UDMR [Democratic Association of Hungarians in Romania] a political party, or is it not?

[Domokos] I understand why I am currently being asked that question. That is, because being represented in Parliament by deputies and senators, the UDMR participates in the country's politics and in a way behaves like a political party. In fact, however, we are a union, a coalition of certain organizations, an alliance, if you wish. The UDMR statute clearly states that it does not share the character of a party, it does not have its own ideology, and the ideals for which it works are in fact those of democracy, equality, and humanism; the moral principles that guide it stem from Christian morality. As is known, two parties initially belonged to the UDMR, which were recently joined by a third. The first two where the Hungarian Christian-Democratic Party of Romania and the Small Farmers' Party, while the third is the Hungarian Independent Party, which joined at the meeting held by our liberal council in Satu Mare on 1-2 March. Aside from those parties, our union was joined by associations such as the associations of educators, economists, and engineers. One of our strongest member associations is the Alliance of Organizations of Hungarian Youth in Romania. As you see, this union is open to a multitude of political principles and directions. So, by definition it is a pluralistic union whose purpose is to represent the interests of the Hungarian population in Romania and to work to secure rights and defend them. All of the above are incorporated in the general context of efforts to achieve democracy in Romania, to build a state of law in our country, and to contribute to successfully traversing the road leading to Europe.

Having said that, our union does not have an exclusively ethnic character. The statute specifies that any Romanian citizen can join its ranks. And we do have ethnic Romanians in the UDMR. The membership of some of them is due to the fact that they are in mixed marriages, while others identify with the ideas contained in our program. This is perhaps another of the special features of the current Romanian reality.

[Achim] Some time ago you said that the place of the UDMR on the political spectrum is somewhere on the center-right. You added that some points of its program were inspired from the liberal doctrine, without, however, ignoring social protection. Would you elaborate on that?

[Domokos] The fact that just now I did not mention one possible orientation, namely a social-democratic or socialist orientation, is because the Hungarians in Romania do not yet have such a group, although naturally some of the UDMR members do share these kinds of views. Our program envisages the task to pursue social protection. This was one of the requirements that governed our interventions in connection with various draft

bills, or when we stated our positions on the government's program. We are a poor country. All the structural changes and profound reforms that are inevitable in our country, too, will create great difficulties for a large category of people; they will encounter problems difficult to solve linked to unemployment, which is expected to continue to rise, inflation, etc. Most affected by these difficulties will be pensioners, handicapped people, low-income families, and families with many children. That is why, as I said, we pay great attention to such problems and we are of course pleased that the chairman of the respective commission in the Chamber of Deputies is our deputy, Mr. Ferenc Baranyi.

[Achim] You mentioned a recent top meeting of the UDMR. Can you furnish some details for our readers?

[Domokos] I think that the most important thing was the decision to convene our union's second congress on 24-26 May in Tirgu Mures. Many people wondered whether that city was the best choice in view of what happened there one year ago. We believe that Tirgu Mures has an ancient history of civic culture and attitude that was always characterized by a climate of dignity, peace, and understanding. Romanians and Hungarians lived there together for centuries and cooperated fruitfully in areas like the theater, science, and education. We believe that the situation will gradually return to normal and that those people will understand that the current situation is artificial; no one is winning, but everyone is losing: time, energy, and opportunities for fulfillment.

So we decided to convene the congress and established the commissions that will work on a new program and revise the UDMR statute. We discussed the implementation of the Land Bill and the difficulties noted in that connection. It was noted that currently our union's primary task is to make its presence felt in villages by supporting the organization of teams of jurists and agronomists to provide the necessary practical advice. We also discussed the measures recently adopted by the television management, namely the cuts in Hungarian language broadcasts and the transfer of some of those programs to the second channel. Those are measures we cannot accept, just as we cannot accept the suspension of the opposition's program "Viewpoints." We also discussed the celebration of 15 March. On this occasion, too, it was stressed that that date always was and must forever remain a day of freedom, a day of brotherhood among nations, i.e., the day of the ideals of 1848. For Hungarians everywhere, 15 March symbolizes their break with feudalism, the end of serfdom, and the first step toward a modern society. We regret that some of the Romanian public reduces the significance of the 1848 revolution (as far as the Romanian-Hungarian relations are concerned) only to the tragic ethnic clashes that took place especially in 1849. We would like people to know, to discover that 15 March carries an incomparably greater significance, a historical charge, and political, economic, and moral implications far richer than those tragic incidents. Of course, they, too, are part of our common heritage, but they should serve to remind us of

how the big powers of the time succeeded in dividing the Romanians and Hungarians.

[Achim] The theses of the draft constitution approved so far differ from the proposals advanced by the UDMR. Will you continue to pursue their implementation?

[Domokos] We took a long time to prepare for this debate and did it very seriously. As the public must know from the press and television, we suggested many amendments. I regret that they were rejected. I'm very sorry that article 1 of thesis No. 10 features a provision (already approved by the Constitution Commission) which says that parties may operate only along political criteria. This ties in to thesis No. 15 in the second chapter, which views parties formed along ethnic, religious, or linguistic criteria as unconstitutional. Of course, as we actually said, we can interpret that the UDMR is not formed exclusively along ethnic lines. Nevertheless, we believe that this kind of provisions seriously violate political rights. I also want to recall that there are many such parties in Europe, in fact they even have an alliance. I will mention only the Swedish Popular Party in Finland, the party of Italians living in South Tyrol, the Frisians' Party in the Netherlands, not to mention the Basque, Catalan, Scottish, Gaels, Flemish, and Vallon parties. The adoption of that thesis will put us in a difficult situation vis-a-vis our electorate. We may possibly have to make a major decision after we discuss this point.

[Achim] What should we understand by that?

[Domokos] Maybe even the withdrawal of our parliamentary group from the Constitutional Commission. I hope we will not get to that and that there will be a calm debate, based on arguments, less emotional, and with fewer preconceived ideas.

[Achim] What does the UDMR think of the report of the parliamentary commission which investigated the events of last March in Tirgu Mures?

[Domokos] We cannot accept many of the assessments contained in the report and we certainly cannot ignore the fact that, as has been written before, the truth is to be found in the "annexes." It should be taken out of there and things should be called by their proper name regarding the organizers and their share of the blame. We appreciate the efforts the commission made to be objective, to understand the historical and psycho-social background of the events, and to follow their development. There has been a lot of talk around this report, including sarcastic remarks. It is, however, a document that must be taken seriously; the report is the outcome of considerable efforts made by its authors to understand and explain a dramatic episode. We do, of course, agree with the proposals made at the end of the report (I am sorry they were not given due attention in the press) to devise even institutional forms for examining and monitoring the events and for preempting such situations.

[Achim] Some of the events currently occurring in Hungary are perceived by our public as the revival of an irredentist policy because some of them bear the stamp of approval of some Budapest officials.

[Domokos] Throughout East Europe we see a revival of nationalist tendencies and Hungary is no exception. But it is very important to note the backdrop against which this tendency is taking shape, its chances of influencing society, the attitude of responsible factors toward such manifestations, and public opinion reaction. In this respect there are probably big differences from one country to the next. Hungary, too, as I was saying, has such newspapers and magazines among the thousands of publications that appear there. I am very sorry to see that our press attaches an exaggerated importance to such articles, which almost always appear in obscure publications of reduced circulation that are viewed with disapproval and even disdain by much of Hungarian public opinion.

As for the stamp of approval of Hungarian officials, I indeed read in some interviews opinions about Romania which show that people are not informed about the realities prevailing here. Such opinions contribute to complicating the relations between our countries and make the situation of Hungarians in this country more difficult. That is why in our talks with journalists, politicians, and diplomats from Hungary we call their attention to this kind of negative phenomena. On the other hand, we cannot agree with the way in which some of our press reflects such manifestations either, because they attach to them a far greater importance than they really have. Both the Romanian and the Hungarian mass media must show greater balance and discrimination, especially when it comes to such sensitive matters in which historical traumas are still alive. Unfortunately, there is a lot of suspicion and prejudice.

[Achim] Do you feel any kind of pressures in your political activities?

[Domokos] Both Romanian and Hungarian ultranationalists are indeed pressuring us, albeit not with the same intensity. Pressure is also applied from the outside. One month ago the Hungarian press here published two letters that I would be grateful to see printed in the Romanian press, too. One letter came from the leadership of the Transylvania Association (of Hungarian emigres in the West) and in it the UDMR and I were severely criticized for our conciliatory and soft attitude in representing Hungarian interests. In our reply to that letter we stated that such an attitude was not in line with either Romanian realities or Hungarian aspirations. Once again, I think it would be a good idea for the Romanian press—major newspapers like ADEVARUL—to present these letters to their readers; they can tell a lot to the public, which is greatly in need of objective information and is confused about issues concerning ethnic minorities—especially the relations between Romanians and Hungarians in our country—

and in this connection, about the nature and role of the UDMR in present Romanian politics.

(Ed. note: ADEVARUL's management is in the process of waiting for the two letters.)

### Reasons for Rise in Emigration Analyzed

91BA0356A Bucharest ROMANIA LIBERA  
in Romanian 13 Feb 91 p 3

[Article by Lucia Iaru: "Why Are Romanians Leaving?"]

[Text] Everyone is worried that so many Romanians (especially young people) are leaving the country, despite the fact that after the December 1989 Revolution we all expected the return of those who had fled during the sadly remembered past. That is indeed how it should have been. All of the distinguished minds, all the scientists, the artists, engineers, doctors, professors, and highly qualified workers, who are a credit to the countries in which they now live, should have been here, amidst the people of their native country, lending their strength to bring us out of the darkness in which we have struggled for 45 years. But this was not to be. All the hopes and joy through which we lived during those first few days, when we wept and laughed all at once, were crushed little by little, until the people, disenchanted, chose the road to exile.

Why?

I will try as much as possible, to enumerate some of reasons for this situation. They are all leaving:

Because (to start from the tip of the pyramid) the people have been misinformed from the start, when Mr. Iliescu read the CPUN [Provisional National Unity Council] list on television, announcing, and I quote: "And I, president by your will." To be exact, 98 percent of the country's population at that time had not even heard the name Iliescu. So how was it the will of the people?

Because the majority of the CPUN belonged to the former hierarchy, led by Mr. Iliescu.

Because we were told that the FSN [National Salvation Front] would try to stabilize and organize the domestic situation, and would then resign. Everyone knows what a surprise it was to hear the announcement that the FSN would participate in the elections, and to experience their propaganda and the promises it did not keep.

Because the other political parties were not allowed to run their electoral campaigns, especially in villages, where those who dared to say that they belonged to a party other than the FSN were pursued and beaten.

Because during the voting, the names of those in hospitals and old people's homes were written in for the FSN.

Because while we were issued passports, ticket prices are so high that we are condemned, as in the golden era, to stay at home and live in the same misery as in the past.

Because before the elections it was still possible to find something in the stores, which are now empty and where the lines are even longer. Essential goods are unavailable. As for the merchants, they behave unconscionably toward the customers, whom they insult and serve at their own whim, while they openly rob the public till.

Because foreign currency stores have been opened (loaded with goods), while the people are paid in lei. Where are we supposed to get foreign currency? Have any banks been established (as in other countries) where we can exchange lei for foreign money? Why are we placed in a position to stand embarrassed in front of these stores? What are honest people to do? Should they tighten their belts, or steal? Only in Romania of course, where those who are highly placed or those from the former hierarchy can readily obtain foreign currency, can such a situation be tolerated. (Is this the democratic way?)

Because instead of buying buses in order to improve public transportation, which is now in an appalling state, millions of lei were spent on planes.

Because while the average wage of Romanian workers is 2,000-3,000 lei, the members of Parliament were appropriated a salary of 10,000 lei. And to top it all, the president of the Senate, an 80-year old man, a notorious former communist, collects over 20,000 lei per month.

Because while the pensions of the former hierarchy range from 5,000 to 10,000 lei, there are old people who receive between 150 and 1,000 lei. All people have the same physical needs. But in our case, those who have led the easy life while oppressing others continue to loaf, while those who were oppressed and humiliated continue to struggle against hardship.

Because the old structures persist in Parliament and in county leadership positions, just as the presence of former Securitate agents in their old jobs has perpetuated the climate of fear and has spurred the people to no longer tolerate this situation.

Because a climate hostile toward intellectuals has been created, and an unremitting feud between the different social classes has been sustained.

Because to this day no one knows what happened to the "Libertatea" fund collected by the entire population, to whom an accounting should have been given for this money.

Because our elected president called in the miners, armed with clubs and chains, who bludgeoned innocent people senseless and who destroyed millions of lei in property. Deeds for which they were thanked. When the demonstrators, a minority in the words of the president (the December Revolution was also carried out by a minority), asked for his resignation, their voices rang out in vain. In Bulgaria, just for having said "Bring in the tanks!," Peter Mladenov resigned when the people called for it through demonstrations. Many demonstrations are

held against presidents and governments, but Petre Roman declares for all to hear on television, that he "will not step down from power," and our president, overwhelmed by the country's affairs, does not hear the voices from the streets.

Because television is still under the influence of the party in power, and still broadcasts expurgated and sometimes even biased news.

Because a so-called price "liberalization" has been initiated, which in reality is an overwhelming increase in prices, and consequently represents a provocation to the great majority of the population which lives solely from salaries with no buying power at this time.

Because reports of the events in Tirgu Mures and of those of 13-15 June 1990 were inconceivably delayed, and when finally released, were found to be slanted, glossing over (intentionally?) that which was most important and evading the truth. The presentation of the reports created great discontent.

Because even though 21 December was the 50th anniversary of the pogrom against Jews, the government still has not found it appropriate to draw up a list with the number of victims of the communist regime who were beaten, tortured, and killed in prisons, at the Canal, or in the Securitate cellars. Are they not martyrs also? Are they not entitled to a commemoration on a day dedicated to them? And what about the 9,000 young women who were left to die without medical assistance following Ceausescu's decree?

I will now end this list of the facts that have contributed and continue to contribute to the disenchantment of those who believed with all their heart in better days, and who want to live in another country that will offer them an honest, civilized, and truly democratic life.

These are some of the reasons for which Romanians are leaving.

## YUGOSLAVIA

### Kosovo's Surroi for Kosovo, Albania Unification

AU2303162091 Belgrade BORBA in Serbo-Croatian  
15 Mar 91 p 32

[Unattributed article: "Surroi for Kosovo and Albania"]

[Text] Stockholm—Veton Surroi, leader of the Liberal Party of Kosovo, appeared on Swedish Television the night before last and endorsed the idea of the unification of Kosovo and Albania. In the news program *Aktuel*, broadcast at peak viewing time, Surroi was introduced as the "first Albanian leader who said that Kosovo should be part of Albania."

"The process of unification started about two years ago. What this unification is going to lead to—whether it will result in a geopolitical and administrative state, or in

regional and other forms of cooperation—will depend on various factors, above all on the prevailing circumstances," Surroi said.

"What is important," Surroi continued, "is that the incipient process of communication among Albanians cannot be stopped now. If Yugoslavia disintegrates, then, regardless of the consequences, Albanians will express a natural desire to unite in one national state."

Asked by the television journalist whether this meant that Kosovo will become a part of Albania, Veton Surroi answered affirmatively.

Surroi visited Sweden as the guest of the Uppsala University's Department for Balkan Studies.

### Belgrade Television Refusing YUTEL Programs

AU2103174491 Sarejevo OSLOBODJENJE  
in Serbo-Croatian 15 Mar 91 p 24

[TANJUG report: "Croatian Television and Titograd Television Will Carry YUTEL"]

[Text] Belgrade, 14 Mar—At the news conference held in the YUTEL offices today it was announced that from next Saturday [16 March] onward Croatian Television will regularly carry YUTEL program on its third channel.

During the news conference information was received from Titograd that the president of the Montenegrin government, Milo Djukanovic, stated that there were no reasons for Titograd Television not to show YUTEL and that the program will be taken over as soon as the decision is ratified in the republican parliament.

Nebojsa Tomasevic, director general of YUTEL, said that he, despite his persistent attempts, could not get in touch with the new Belgrade Television Director Ratomir Vico. Therefore, he addressed a public appeal to Belgrade Television to join other television centers and start broadcasting YUTEL.

### JUTEL Editor Discusses Station's Policy

91BA0375B Belgrade STUDENT in Serbo-Croatian  
31 Jan 91 pp 22-25

[Interview with Zeheriad Smajic, JUTEL editor, by Miroslav Tosic; place and date not given: "A Federation Is Not Possible"]

[Text] With its appearance, JUTEL has caused a great deal of confusion in the already confusing Balkan region, dealing serious blows to the strutting nationalist media and political camps from Triglav to Djevdjelija. And that fact itself is altogether sufficient reason to interview Zeheriad Smajic, one of the editors of this "Markovic—anti-Croat—anti-Serb" television studio.

[Tosic] How do you look upon the present situation in journalism in Bosnia-Herzegovina?

[Smajic] Everything that journalism built since 1987, since the "Agrokomerc" scandal, up to the present time, is now being slowly but surely torn down in this period of elections. All of that hard-won prestige, objectivity, and professionalism is gradually being canceled out, and the trend is toward everything being as it was before "Agrokomerc." And we know the labels which went with the journalism of Bosnia-Herzegovina before 1987: servile, docile, unobjective, provincial, and more I cannot think of. In the final analysis, it is well-known that Zagreb and Belgrade were in those years the leading news centers with respect to objectivity, competence, and personnel.

But after mid-1987, and especially in 1989 and the first half of 1990, Sarajevo journalism was the prototype, if I might so put it, of objectivity, accuracy, and professionalism in this business.

#### Journalistic Chameleons

[Tosic] Why, in your opinion, are there very few signed journalistic articles on the Bosnia-Herzegovina scene?

[Smajic] There are not many, I agree with you completely, for the simple reason that authors have not been given the chance. And this has been for completely clear reasons that I understand, although I have never accepted them, nor do I now. And that is precisely the fear of signed articles, the fear of real independent and competent authors. The very term indicates independence. It is the antithesis of censorship. This is something, then, or someone that could be a headache for any team of officials in power at the moment. The government that headed Bosnia-Herzegovina before the election knew that. And one of the methods by which it suppressed journalism was not to allow creativity, the publication of signed articles, that is, not to allow journalists to gain prestige, because then it would be difficult to fight journalism as a profession.

[Tosic] Has a different and better attitude on this issue been established now that the new government has taken power?

[Smajic] I have said that all the conditions exist for tearing down everything created in the last three years, and I think this for the simple reason that in the time before the election I saw more toadyism, currying of favor, docility, and uncritical attitudes than ever before, precisely toward those of whom it was known with 100-percent certainty that they would play some significant role after the election in Bosnia. Now that the results are well-known, when we know who is who in the political dance, such people in the journalistic profession, who thus have not attributed any importance whatsoever to their own name and their profession, are continuing their toadyism and moral prostitution. Currying favor, acting as tattletales, and, I will put it openly, going again for opinions to the institutions where a few years ago they went to certain other politicians to obtain "their own" opinions. They are going on in the old way. That is why, I must admit, I am a far greater pessimist

now than I ever was before when it came to the situation in journalism, because in this brief period I have learned quite a bit that is bad even about certain people who until recently I would not have thought of in this connection. Whether we are dealing with some new wisdom in this new team of politicians which unconsciously makes them obedient or it is some new method which forces people to be obedient, I am not certain. But I know that I am at times ashamed to attend press conferences or political meetings when I see how communication takes place with the newly elected representatives, the manner in which that fawning is done. I simply become afraid of what will happen to us in this mainly honorable profession.

[Tosic] Might we expect even a certain purge in editorial offices in order to establish still stronger obedience, especially in the media with the greater influence and importance?

[Smajic] I am more than convinced of this, although no one will be able to convince me of the soundness of the reasons for this shifting of personnel. I am in favor of a turnover of people, but on the basis of ability and quality.... Although all the posts have not yet been distributed among the holders of power in Bosnia-Herzegovina, the election slates are altogether sufficient to support the conclusion that there are no reasons for any optimism at all when it comes to newsmen. Put simply, it is simply amazing who is on those lists.

#### An Ordinary Replacement of One Technique for Another

[Tosic] It is a fact that at the moment Belgrade and Zagreb are completely closed to free-lance journalism. Sarajevo, by contrast, has always been a kind of oasis for independent journalistic expression.

[Smajic] In my opinion, the journalism of Sarajevo, that is to say, of Bosnia-Herzegovina, will hold on to its reputation that has been built over the last three or four years only until the new government is inaugurated. That is, only until the new government takes up its new functions. I am convinced of this. That, of course, does not mean the end of profitable free-lance journalism, but it does signify a stagnant phase that will be hard to take. I think the duration of that phase does not depend only on those who will try to clip journalists' wings, but actually on the balance of power within the journalism of Bosnia-Herzegovina. That is, it depends on how many people within journalism will support the censorship that is favored and how many of them will fight for their own honor and the honor of the profession. I am not an optimist, and I think that there are actually fewer and fewer people ready to fight for honorable journalism. Probably because they have been schooled by practice in the past and by the experience that those people always profited most who were docile and danced to the tune that politics played.

[Tosic] What do you expect from the heralded changes in the news media based on the notorious ethnic quota?

[Smajic] We have lived for 45 years with the quota, and this is where it has gotten us. If the quotas were capable of achieving promising long-term advances, we would already have accomplished that. Accordingly, this will only be a change of one technique for another. Merely one method replacing another one. Up to now, we used one technology to arrive at the quotas, and now we will use another one. But the goal and the result are still the quota. The new government will arrive at a circulation of personnel that will ensure its influence on the conception and editorial policy of the media in Bosnia-Herzegovina. That opinion of mine is confirmed by the unofficial lists of candidates. That is, just as it is everywhere in the world, so in our country one of the principal tasks of the newly inaugurated government will be to take control of the mass media. If the goal is to exert influence on the news media to make them still more professional and open, then I am absolutely in favor of such moves. But if the purpose of exerting influence on the mass media is merely to replace professionalism with something defined in advance, then I am against that attitude. I hope that no professional worth his salt will accept anything like that, even if he has to change professions. Particularly if the issue is a narrow ethnic commitment.

[Tosic] Shall we turn to JUTEL? To whom does it actually belong?

[Smajic] This is now the most popular news channel which the viewers have. (Laughter) Because your question was a matter of legal formality, in the first phase the founder of JUTEL was the federal government, and that was the case when JUTEL was a socially owned enterprise. However, since 11 January it has been registered as a joint stock company with mixed capital. But tomorrow you yourself might be the founder, if you invest some of your shares in JUTEL.

#### JUTEL Goes Its Own Way

[Tosic] How much truth is there in the story that JUTEL has a pronounced anti-Serb editorial policy?

[Smajic] I will illustrate with an example. In a meeting held in Belgrade last Friday of the top editors, one said that JUTEL was markedly anti-Serb. Another participant in that discussion, also responsible for JUTEL's editorial policy, and interpreting that very same public opinion, presented his own assertion that JUTEL is markedly pro-Serb. On the basis of the pulse which reaches us here in the Sarajevo studios, we see that there are bipolar assessments on this question. Many accuse us of being anti-Serb, and an equal number say that we are pro-Serb. I think that this is the best proof that we are neither pro nor anti, but that we have our own "JUTEL" editorial policy, which is something viewers have not become accustomed to because they have been subjected to public one-mindedness during their entire lives.

[Tosic] I am interested in how you see the status of the news media there.

[Smajic] I think it is far better now than at the beginning of our operation. For example, now we have no problems whatsoever in bartering for any pieces in which we are interested. That is the basis for my hope that the new Serbian Government will also have more understanding for JUTEL.

[Tosic] That probably depends also on your future plans?

[Smajic] I am not really the most competent person to speak about that area, but I will tell you what I know. It is JUTEL's intention to offer four hours of programming beginning in April. If all the conditions are not met, we will offer two hours. By the end of the year, we plan to be on the air six hours. Everything, of course, depends on factors depending on us least of all. It is our desire to reach the rest of the world by satellite, and I see nothing in the way of that. Those are by and large our main desires, and they depend, I repeat once again, on a number of circumstances.

[Tosic] And those circumstances depend most of all on the new Bosnia-Herzegovina Government and on your attitude toward it and toward the moves that it makes.

[Smajic] JUTEL will take the same stance toward the newly formed government as toward everyone else. Which means: correct, objective, and unbiased. A much more essential thing for us now is the attitude the new government will take toward JUTEL. This is a mystery even to us. Especially since even before inauguration of the new government we have been receiving reports to the effect that the Bosnia-Herzegovina Government will move JUTEL in an unknown or known direction. And that would allegedly be one of the new government's first tasks. I would not be able to say whether those are merely rumors or truthful hints. I think it should give very detailed consideration to that kind of decision before anyone in the new government announces it.

[Tosic] At this point, you can probably say how JUTEL is being financed.

[Smajic] This is no longer any secret. One of the shareholders in the JUTEL joint stock company is the federal government, which holds 27 percent of the stock in the project. Let us be clear at the outset that all of that 27 percent was not cash. Some of it was equipment, and then there was office space that belonged to the government and which is now at the disposition of JUTEL. Beyond that, there is no need to mention the usual form of self-financing through advertising, which represents between two and six minutes in our programming. We earn money this way, and that is how we keep the operation going, but I hope that we will very soon have a more sizable profit.

#### The Profession Is More Important Than Politics

[Tosic] Were you yourself politically committed in the marathon election campaign in Bosnia-Herzegovina?

[Smajic] No. During the election campaign in Bosnia-Herzegovina, I was already deeply involved in JUTEL, and the definition of JUTEL states that it is an independent television organization that is above parties. It is also one of the principal conditions for any member of JUTEL. I would only say in addition that there have been attempts by more than one political party to win over some of us in JUTEL to collaborate at least as a sympathizer. I can openly say that I have been officially offered the opportunity to be a member of the board of the Reform Forces for Bosnia-Herzegovina, and then after I responded in the negative, they offered me the position of spokesperson of that same party. There were similar intentions and activities on the part of the League of Communists. If it really interests anyone, it is easy to verify that in my desire to respect the principles of JUTEL I did not consent to either solution.

[Tosic] Perhaps I am wrong, but it seems to me that JUTEL is more moderate, milder toward the newly formed government in Bosnia-Herzegovina than toward those in other republics. Is this some kind of payback of debts or a sign of gratitude for the cordiality of Sarajevo and Bosnia-Herzegovina in making their space available to you?

[Smajic] You have a right to think that. I would like you to furnish a few arguments in support of it because I do not have that impression. It is not JUTEL's goal to run anyone down, to support anyone, or indeed even to offer advice. We feel that that is not our task, which is exclusively to provide timely and objective news. Now, it is also certain that in society at large and among us there are differences in how we see the role of a media like television. That is probably why we still have not completely solidified our programming conception. So, it is possible from that fact to draw conclusions like yours, but the idea that now we respect the newly formed Bosnian Government out of some calculated logic, and on the other hand we are attacking or reassessing the policy of Serbia or Croatia, I think that that assessment is not really valid and there are no convincing arguments to support it. Incidentally, would we have been talking a little while ago about the rumors that JUTEL will be moved if the situation is as you see it? Be assured that we are striving and will continue to strive to present to the readers the topic about which we are talking as fundamentally and simply as we can.

[Tosic] When I set off for this interview, a colleague of mine asked me to ask how much your nickname "Zeko" has to do with your courage as a journalist?

[Smajic] The question seems to have been put in such a way as to express our colleague's recognition of my courage. If that is the case, I thank him for the compliment because I think that being a responsible newsman today in itself takes courage. I will admit that I think I am an exceptionally brave person both in my genetic and human makeup, and thereby a brave newsman as well.

Incidentally, it has nothing to do with my nickname because where I come from there are two or three people with the same nickname who are not journalists, and I do not know if they are brave.

### The War in the Gulf—Collision Between Two Rams

[Tosic] Because we are conducting this interview at the height of the Gulf war, it would be interesting to hear your opinion, as one of the eminent newsmen, about the future of that conflict.

[Smajic] That is unfortunately a question with which the entire planet is concerned, and, again unfortunately, a question for which no one has anything like a precise answer. For the simple reason that after America's political and moral defeat in Vietnam, it did not wish and could not allow concession in the face of obstinacy and the possibility of another debacle of the same kind on the world political stage. So, it had to go for all or nothing—likewise knowing that Saddam Husayn was not going to yield either. So, two rams collided on a bridge, and that bridge was too narrow for their political conceptions, and a collision had to occur. How long will the war last? To the point of exhaustion, I think.... There is no genius who would even approximately be able to forecast the exact date when the war in the Gulf will end. It is my opinion that all possible equipment, war craft, and doctrine that has been available since World War II will come into play. As to the outcome of that war, all we can do is wait, and only then can we make our final judgments....

[Tosic] One of the most debatable topics in Bosnia-Herzegovina these days is the proposal of the Social Democratic Party [SDS] to recall Bogic Bogicevic from his seat on the SFRY Presidency.

[Smajic] Bogic Bogicevic's recall is the only certainty which has been real to me ever since the elections. Not because Bogicevic is not doing the job he was given, because I would not like to speak about that because of the lack of any kind of evidence, but for the simple reason that in my opinion the Presidency has not been discharging a large portion of its obligations. Accordingly, as I see it, the entire Presidency deserves a bad grade. If it were up to me, I would replace them all. I would call for the legal recall of all members of the Presidency because it is more than obvious that the functioning of the state has collapsed. That is why I think that it is not proper to merely recall the members "ad hoc," one by one, as Suvar was recently "removed" and replaced by Mesic, and now the same is being done with Bogicevic. It would be better to wait for federal elections, and after them to logically make up the parliament, and then follow the rest of the procedure that is customary throughout the world. But as far as Bogicevic himself is concerned, I suspected things would go this way, even though during the election campaign and immediately after the election Karadzic said that the SDS would not concern itself with that problem because it supposedly had many more important problems, both economic and

political. But as you yourself see, in recent days the initiative to recall Bogic Bogicevic put forward by the leaders of the SDS has actually been the topic of the day.

#### **A Time To Straighten Out Financial Relations**

[Tosic] Interrepublic talks about the future of Yugoslavia began in January. How do you see Bosnia-Herzegovina in the framework of this kind of Yugoslavia or some different Yugoslavia?

[Smajic] I think that the time has long passed for this kind of Yugoslavia. There is no longer any debate, in my opinion at any rate, about our seeking some mechanism for a federation or confederation. The conditions for achievement of a federation have actually gone by the board. They were used up by those who guided the federation here where they have brought it. There are no longer any conditions for a federation to operate. At this point, I do not wish to prejudge what the other thing will be, but I think that the only possible way is an open discussion and then an agreement on the future arrangement of Yugoslavia. What will it be in the end? I am convinced that it will no longer be a federation and that the only possible form is an alliance of independent sovereign states. I see nothing wrong in that. I think that the time to settle financial accounts should finally come. A loan oft loses itself and a friend, goes the old saying, and 70-80 percent of the world population lives by that principle today. So, a much more essential thing for me

is how to regulate that other segment of our life together, the one that is not mere mathematics.

And those are mutual ethnic relations, mutual political relations. However, we cannot resolve them with a calculator, but only through intelligence and goodwill on the part of all of us. And that, which is the main thing, does not mean being or staying in a federation. Those are the key mistakes which Yugoslavia has now spent a year and a half on, actually perhaps it is now three or four years, more precisely from the time when the new amendments began to be drafted, and now we are already in their third or fourth phase of revision. And again we have found ourselves at the crossroads facing the elementary issues of a federation or confederation. I personally feel that this is an artificially imposed dilemma which only perpetuates the agony of Yugoslavia. This has brought the population to the verge of ruin.

Economic ties have already been completely severed, the credit system is not functioning, the tax system has not yet been adopted, so that the only thing I can think of is that someone is deliberately and systematically attempting on that human and purely emotional level to lead people to the point of insanity. So, I personally think that Yugoslavia has some chance of surviving only in a creative and productive form, within the individual, but also in a completely new political system.



## POLAND

**Goals for Army in Light of Pact Dissolution**

91EP0327A Warsaw POLSKA ZBROJNA in Polish  
5 Feb 91 p 4

[Article by Lt. Col. Jozef Stepak, employee of the Department of Defense Analysis and Forecasting at the Academy of National Defense: "Not Only for the Military: An Army of What Sort?"]

[Text] The military structures of the Warsaw Pact are no longer operative for all practical purposes. This means that our armed forces, whose former organizational structure, training, and utilization in the event of war were all subordinated to the goals defined by the Warsaw Pact (hence, to the global interests of the USSR), are not prepared to defend the territorial integrity of the RP [Republic of Poland] in the event of a military threat under present and future circumstances. Thus, there is an urgent need for change in the military doctrine of our armed forces and, consequently, for a change in its organizational structure as well.

The issue is a critical one, for the entry of our country into another collective security system is rather an indefinite prospect.

While it is urgent that we solve this problem, we must proceed with great caution. How we solve it depends upon the direction indicated by forecasts and assessments of the development of the political-military situation in the area that surrounds our state, by the potential military threat to our sovereignty and territorial integrity. We must be cautious in our solution to the problem because of the enormous cost of this endeavor.

A quite extensive polemic has developed over changes in the area of the military doctrine of our armed forces. Various ideas and proposals for solving the problem have arisen and are being compiled. Moreover, the problem is no longer a secret kept by a small group of specialists. The discussion has emerged from the hush of offices and conference halls and is being conducted in newspaper columns. This is a very positive phenomenon in the process of arriving at major, complex decisions which concern the vital interests of society and the state. If the armed forces are supported by tax-paying citizens, then these citizens should be given a general picture of how their monies are going to be spent and of the degree to which the interests of the freedom, the sovereignty, and the territorial integrity of Poland are to be secured.

Plans for restructuring the armed forces are inseparably accompanied by the question, are we in a position to build an army that would be capable of safeguarding our national interests against every present and potential military threat. In my opinion, conclusions drawn from the current and forecasted political-military situation demonstrate quite unequivocally that we will not be in a position to have such an armed forces. Therefore, we must ask ourselves the next question, what kind of army

should Poland have if our entry into a specific collective security pact of the sort that is to our advantage becomes inevitable or if the concluding of appropriately guaranteed and definite military alliances cannot be avoided.

In a situation in which the ensuring of Poland's security against military threats for a specified or unspecified period may rest exclusively upon our own army, the role and function of the armed forces should consist of:

- Effectively deterring a potential aggressor from invading our country.
- Defending our independence, sovereignty, and territorial integrity under all circumstances.
- In the event of aggression by superior forces, offering such resistance as to give time for specific factors counteracting a potential aggressor to be set in motion (the UN Security Council, international public opinion, gaining allies and the like).
- In the event that a portion or the entirety of our country is seized by the army of a potential aggressor, embarking upon such actions as would render it unprofitable for him to continue his occupation.

Thus, the restructuring of our armed forces will be contingent upon:

- The present and future (forecasted) military threats to the security of our state as a part of systems of collective security or systems of the concluding of appropriate defensive military alliances.
- The need to prepare the country for defense in all areas.
- The need to prevent the violation of Poland's territorial integrity in possible border conflicts, local armed conflicts and open armed conflicts, as well as the offering of effective resistance for an indispensable period against the possibly superior forces of a potential opponent who aggresses against our country.
- The need to conduct partisan activities in the event that a portion or the entirety of our country is seized by the army of a potential aggressor.
- Finally, the need to act within the framework of possible allied commitments or UN international campaigns.

Moreover, Poland's economic potential, society's determination to maintain its independence, its sovereignty and the territorial integrity of the country, and international agreements and treaties defining the defense ceilings of states will all have a significant impact.

Poland's geopolitical situation and the forecasts of possible military threats show that the defense of the borders of our country will be markedly of a land-air nature.

With regard to the role and the place of the armed forces in the system of Poland's military defense, with regard to the circumstances, the preparation and the conduct of military defense on the territory of Poland, and with regard to the kinds of possible military threats to state

security, the RP armed forces should develop forces and weapons:

- Designated for the military protection of the land borders of the state and capable of counteracting the violation of the territorial integrity of the state in border conflicts and local armed conflicts provoked by potential enemies (territorial defense armies).
- Designated for the military protection and defense of the sea borders of the state (the navy).
- Designated for protecting and defending the air space of the country (the air defense armies).
- Capable of reacting immediately in the event of an unexpected military attack on our country (a local armed conflict, an open armed conflict), of giving immediate aid to an ally under attack, and of acting in international forces organized within the framework of the political-military integration of the countries of Europe and the like (quick-response armies).
- Capable of countering a potential aggressor in the event of military aggression on land (land operations armies).
- Forces and weapons that will bolster the defensive capability of land armies (regional and local defense armies).

#### Definition of Structural Changes in Air Force

91EP0323A Poznan PRZEGLAD WOJSK  
LOTNICZYCH I WOJSK OBRONY POWIETRZNEJ  
KRAJU in Polish No 1, Jan 91 pp 3-7

[Interview with Div. Gen. Jerzy Gotowala, commander of the Air Force and Air Defense, by Colonel Kazimierz Stec; place and date not given: "The Air Force and Air Defense Under the New Circumstances"]

[Text] In connection with the structural changes occurring in our military aviation, the editors of PRZEGLAD asked the newly appointed Commander of the Air Force and Air Defense Div. Gen. Pilot Dr. Jerzy Gotowala to answer some questions of interest to the readers.

[Stec] At last, after many years of discussion, last year the expected merger of the Air Defense with the Air Force took place. What were the principal arguments in favor of this merger? General, were you among those who supported the unification?

[Gotowala] The armed conflicts occasionally resurging and harassing our old world (Great Britain-Argentina, Iran-Iraq, Israel-Lebanon, Iraq-Kuwait) as well as the memorable night strikes by American aircraft against Libya are painful reminders of the continuing marked passivity in organizing air defense in the countries whose insignificant air force potential does not assure a lasting air superiority. Even a cursory analysis of the course of these conflicts demonstrates that that passivity usually is reflected in limiting air defense to the protection of troops and facilities, and chiefly with the forces and resources of ground-based air defense at that, along with only fragmentary implementation of the related objectives by fighter aviation.

Yet experts continually warn that aerial combat is becoming increasingly difficult, chiefly owing to the continually perfected invisibility of combat planes (stealth) and their maneuverability and rapidly ongoing modernization of precision weapons. It is no secret to anyone that today the scope of applicability of these weapons increasingly often enables assault planes to destroy objectives without having to enter the fire zone of the protecting air defense, as well as to perform precision attacks on targets located in the tactical defense zone of combat troops, even from above their own territory.

As the most maneuverable arm of service, the air force has always and in every operation has been an offensive weapon, regardless of the nature of the attendant land or sea warfare. It usually operates as a destructive force that rapidly and effectively shifts the focus of combat onto those facilities of the enemy which may threaten the command of friendly troops. In addition, the air force fulfills the role of a strong, mobile, and highly effective reserve which can be instantaneously deployed and can decisively influence the accomplishment of operational objectives.

Measures to improve air defense should be chiefly oriented toward achieving surprise so far as enemy aircraft are concerned. If only for this reason, the purpose of air defense during armed conflict must be the joint—with all available means—elimination of enemy aircraft from combat, that is, elimination of strikes against friendly troops and facilities. This objective can be accomplished with an active, offensive-oriented air defense. In practice this means that the defender can select the objectives to be destroyed, and the sequence in which to destroy them, so as to reverse as soon as possible the unfavorable ratio of forces and resources, to gain superiority, and to switch to the offensive.

From the outset in every conflict the problem is to assure the possibility of destroying the enemy's base zone and infrastructure vital to the accomplishment of his objectives. This can be done only by a commander (decision-maker) in whose hand are concentrated varied forces and resources serving (in any place and at any time, both on ground and in air) to strike painful blows against enemy aviation and troops (army and navy air defenses). This was the principal reason for establishing the WLOP [Air Force and Air Defense]. However, it must be acknowledged that economic, operational-tactical, and logistical considerations also influenced the establishment and new shape of the WLOP.

I have always favored the idea of unifying both armed services—the Air Force and the Air Defense, for in this respect to me the objective was one: a rational utilization of all elements of the air defense system, the creation of conditions for a maximum exploitation of the system's combat capabilities, and the creation of a self-regulating, mutually complementary, and cohesive system that would at the same time respond instantaneously to threats of breaching it.

[Stec] General, is this unification a lasting one, and has it taken place in consonance with your views? Are revisions of the newly adopted organizational structures to be expected soon?

[Gotowala] Air defense is an element of combat, and hence also part of varieties of combat operations, both offensive and defensive. Antiaircraft operations nowadays are no longer the exclusive domain of the Air Defense but an integral component of combat by all the armed services and troops. The Air Force and Air Defense will play the principal role in that combat. This speaks in favor of the unification achieved.

During the present restructuring of the air defense system, it is necessary to include in it the firepower of all the branches of the armed forces, including even the civil defense services and elements fighting the air enemy. I perceive a need for a very close and not just training-oriented cooperation with air defense troops, the firepower of the Navy, and the command systems of these branches. Hence, changes are indicated. Certain organizational structures will remain unaffected, but many units will be modified; for example, certain air defense corps units will switch to a divisional structure, while the divisional structure of fighter and bomber aviation will switch to the brigade system, and the air training regiments of the WOSL [Higher Air Force Officers School (Deblin)] will switch to the autonomous-squadron system.

[Stec] What was the reason for the decision to locate the Air Command Headquarters in one city and the Air Defense Headquarters in another, 300 km apart? In such a situation, is an efficient and economical command of this service possible?

[Gotowala] The command of combined arms of services cannot function in two separate locations. Even now this is definitely complicating the performance of day-to-day objectives and conflicting with the principles of a good organization of labor and service. Hence, one of the objectives I posed to myself upon taking over the duties of commander of the Air Force and Air Defense is to have both headquarters combined in a single location. The difficult housing situation of our personnel, combined with the present budget of the armed forces, and the need to optimize the staffing of our command headquarters complicate resolving this problem, however.

[Stec] What is to be the role of the Air Force and Air Defense in the new circumstances?

[Gotowala] Priority is still definitely demanded by the struggle for air superiority (winning that superiority in combat and thereupon retaining it) which has always determined the accomplishment of land and sea objectives. The Air Force and Air Defense is moreover to continue forming an electronic umbrella for purposes of early warning and reconnaissance of enemy activities, as well as to provide a curtain of fire, protecting facilities and troops. Fighter aviation will fill the gaps in the fire

zones of ground combat, while assault aviation will be a means of in-depth combat operations and provide fire support for friendly combat troops; it will be a kind of a "steel plow blazing the trail" for the army and the navy, supporting the tempo of their activities, and explicitly influencing the results of their combat operations.

The air force will provide the army and the navy with information on the enemy by conducting multipurpose air reconnaissance, destroying specified enemy facilities, disorganizing the enemy's rear, and providing fire support and protection for combat troops by appreciably contributing to weakening and smashing the enemy, crushing his defense, broadening offensive action, and harassing the retreating enemy.

In combat operations transport objectives will undoubtedly play a major role, and above all the landing and air support of operational and tactical paratroop operations as well as the transportation of troops, materiel, and combat equipment, and the evacuation of the wounded and ill.

Of major importance will definitely be the performance of special (auxiliary, communication) tasks by the air force, such as the transportation of special forces, protection of command headquarters, radioelectronic warfare, and others.

[Stec] These are huge tasks. Moreover, we are in a situation which forces us to guard not only the western border. And the restructuring, that is, the reduction of the air force and air defense still continues and its ultimate objective is unknown.

[Gotowala] The extremely many-sided activity of our troops, which is besides being systematically broadened, shall decisively affect the results of combat, battles, and operations; it has consolidated its high and acknowledged standing among offensive means of warfare and it accounts for making the position of our troops most important among the armed forces. We constitute all-purpose troops, so to speak.

These all-purpose troops are changing in structure and nature depending on current and future needs but also with allowance for the economic situation of our country. One thing is certain, the restructuring of the military must above all be intended to improve its efficiency and quality. The nature of the military has been precisely defined, so that today we are merely working on its cosmetic, make-up aspects in view of the emerging possibilities for providing the military with new combat equipment, and not only Soviet-made at that.

[Stec] Some newspapers have even reported that Poland intends to buy the American F-16 or the French Mirage-2000. The possibility of buying Swedish fighter planes also was suggested.

[Gotowala] A particular fighter plane type cannot be specified yet. But this does not mean that no operational-tactical and economic assessment studies are under way. I believe that we should purchase better equipment, and from those who sell for less. So far, however, the Mirage is still a mirage to our aviation.

[Stec] How does the coalition [Warsaw Pact] system of air defense operate (following the unification of Germany) and what eventual changes in that system are to be expected in the near future?

[Gotowala] We are witnessing a rapid erosion of the previously monolithic coalition air defense system and even an irretrievable disruption of its discrete elements. I anticipate two possible variants of changes in that system, the first is that of its slow, stage-by-stage disappearance as the Soviet troops exit from the territory of Germany and our country. The second, and in my opinion principal, variant consists of building our own exclusively Polish air defense system based on our own means of command. Such a system will collaborate with the air defense systems of our neighbors on the basis of bilateral cooperation and collaboration agreements.

[Stec] Many pilots of various generations are upset by the problem of the wastage of flight personnel. Is there reason to believe that they are right?

[Gotowala] I also do not rejoice over this situation. We are doing everything we can to resolve rationally the growing problems. At present we are working out a long-range plan for securing specialist reserves. It should be realized, however, that the quantitative reduction in aviation is simply inevitable. Still, the surplus of trained specialists, including chiefly pilots, should be retained. How is this to be done? All of us have joined the air force driven by the desire for adventure, the desire to fly and to serve as long as possible in the dreamed-of occupation of a fighter pilot. And yet, the number of our fighter planes is systematically declining, the quantities of the fuel allocated to the air force are drastically shrinking, and, worst of all, so far no tendency toward a lasting improvement in the country's economic situation has been noted. Ideas for alleviating this difficult problem have been presented to the Ministry of National Defense and been received with both understanding and preliminary acceptance. We have retrained some fighter pilots on another type of aircraft and appointed others to posts of regular flight directors. At present we are trying to create a pilot reserve by appointing flight personnel to

positions not related to piloting aircraft while at the same time keeping their salaries the same. I believe that this will serve to retain a substantial number of flight personnel in aviation.

[Stec] In preparing myself for this interview I talked with former Air Force and Air Defense Commander Gen. Div. (ret.) Jan Frey-Bielecki. He stated that, given the country's difficult economic situation, "priority should be given to preserving flight personnel at the expense of a temporary suspension of purchases of new equipment. An aircraft can be procured quickly, but training of personnel, and chiefly of pilots, takes many years of arduous work and huge expenditures." His position was also supported by Gen. Div. (ret.) Pilot Jan Raczkowski, the former longtime commander of the Air Force. General, what do you think of that comment, and will you, as the commander of the Air Force and Air Defense, take it into consideration in your decisions?

[Gotowala] That also is my view.

[Stec] In what ways can the flight personnel be preserved?

[Gotowala] I enumerated them in answering your previous question. Besides, I shall continue to transform the "Deblin school of eaglets" into a center for training pilots and specialists for the entire Polish aviation (LOT Airlines, aeroclubs, ZUA [expansion unknown], PUL [expansion unknown], sanitary aviation, special aviation), possibly also for training foreign pilots. I expect that it will employ a considerable number of pilots on its staff. I also do not preclude other solutions that might be eventually proposed by the aviation community.

[Stec] Restructuring and other changes have caused many manuals, sets of instructions, and textbook to become no longer topical. It is urgently necessary to update them. What is more, there is no one to handle this, because many staff positions have been eliminated from the new structures. At the same time, however, the so-called transition list contains many top-notch experts who are getting ready to quit the military. Would not it be worthwhile to retain them for a period of time and utilize them for that purpose?

[Gotowala] That is a great idea. I'll buy it.

[Stec] Thank you for the interview. General, I wish you historic accomplishments in commanding Poland's Air Force.

## CZECHOSLOVAKIA

**Economic Agreement With USSR Published**

91CH0323E Prague HOSPODARSKE NOVINY  
in Czech 15 Jan 91 p 8

[Text]

**Agreement Between the Governments of the CSFR and  
USSR on Business and Economic Relations for 1991  
(signed 17 December 1990)**

**Article 1.**

To maintain existing relations essential for the national economies of both countries mutual deliveries of goods and performance of services in sectors regulated by the center will be made in 1991 based on indication lists, which are an integral part of this agreement (Supplements 1 and 2). Business relations related to deliveries of goods and the performance of services external to the categories and volumes assumed in the indication lists can be made based on mutual agreement at the republic, regional, or enterprise level with accountability at the appropriate level, and in accordance with existing laws of both countries. The appropriate offices in both countries will create the conditions necessary to maintain and develop economic relations between business entities in both countries.

**Article 2.**

The Soviet side will allow the Czechoslovak side to purchase in 1991 in the Soviet Union 7.5 million tons of crude oil, as follows:

- At least 5.5 million tons for hard currency, without counter deliveries of goods from the CSFR;
- The remainder (up to 2 million tons) to be delivered in amounts corresponding to Czechoslovak deliveries to the Soviet Union for production consumption by enterprises under the USSR Ministry of the Oil and Gas Industry, in accordance with the categories and volumes established by agreement with the USSR Ministry of the Oil and Gas Industry (Supplement 3 of the agreement).

In addition, the CSFR may purchase crude oil in excess of the above volumes based on direct agreements between Czechoslovak businesses and Soviet production-territorial oil extraction associations. It is also possible to purchase crude oil by agreement with the appropriate Soviet officials for the importing of freely traded goods from the the CSFR to the USSR, for which the Soviet side expects to pay in hard currency. The contracting parties will create the conditions for cooperation in the development of crude oil and natural gas extraction and processing in the USSR.

**Article 3.**

The appropriate offices of both contracting parties will assist in the creation of the conditions needed to implement the mutual delivery of goods and the performance of services included in the appended indication lists. If the pertinent business entities of either country do not reach agreement during contract negotiations concerning the technical and commercial aspects of the delivery of goods or performance of services included in the supplements to this agreement, the supplements can be made more precise or updated based on agreement between the two sides.

**Article 4.**

If deliveries of goods and performance of services on the indication lists results in a positive balance for the Soviet side, this balance will be used to pay off loans made earlier by the Government of the CSFR, to pay interest on these loans, and to pay off indebtedness incurred in the current account towards the end of 1990.

**Article 5.**

Deliveries of goods from the USSR to the CSFR designated to repay obligations on loans from the CSFR Government to the USSR Government related to the agreements described below will be made in accordance with the conditions of these agreements. The agreements will be updated by both contracting parties in Protocols to these agreements reflecting the transition to new business conditions as of 1 January 1991. The affected agreements are:

- The 16 December 1985 agreement concerning cooperation in the development of the Jamburg gas field and the construction of the gas pipeline from Jamburg to the western border of the USSR and facilities of the Urals gas complex, and related deliveries of natural gas from the USSR to the CSFR;
- The 5 October 1977 agreement concerning cooperation in the construction of factories to produce nickel and cobalt in Punta Gorda (Cuban Republic);
- The 1 July 1982 agreement concerning the transit of Soviet natural gas to the countries of Western Europe across CSFR territory and the 19 November 1985 Protocol to this agreement.

**Article 6.**

The appropriate offices of each country will help to implement cooperation between Czechoslovak and Soviet organizations participating in the construction, rebuilding, and modernization of industrial enterprises and other facilities in the CSFR as well as integration facilities in the USSR.

**Article 7.**

All accounting and payments relative to this agreement will be made in accordance with Article 1 of the 1 September 1990 agreement between the Governments of

the CSFR and USSR concerning the transition to new conditions for conducting business between the CSFR and the USSR.

**Article 8.**

Goods to be delivered in accordance with this agreement can be reexported to third countries only with prior written permission of the exporter.

**Article 9.**

In conjunction with the transition to payment in hard currencies and at world price levels, by 1 January 1991 all businesses in either country are to evaluate contracts signed prior to this agreement for the delivery of goods or performance of services in 1991 and, if necessary, reach agreement on additional measures needed to assure the fulfillment of these contracts.

**Article 10.**

The appropriate offices and organizations will take care of the transportation of passengers and freight between the CSFR and USSR in 1991 in the right numbers, structure and by type of transportation, and will also work to develop transportation systems. In conjunction with the transition to new implementation conditions for business relations between the CSFR and the USSR, as of 1 January 1991 the appropriate offices on both sides will negotiate new freight rates and other conditions related to transit transportation.

**Article 11.**

The appropriate businesses on both sides will immediately begin discussions aimed at signing contracts for deliveries of goods and the performance of services in 1991 for the goods and services listed in the supplements to this agreement.

**Article 12.**

Representatives of the appropriate offices of both sides will alternate meetings in Prague and Moscow to evaluate the progress in implementing this agreement and as necessary to develop needed recommendations.

**Article 13.**

This agreement takes effect when signed and will remain in effect until all related obligations are met by both sides.

**Payment Agreement Between the CSFR and USSR Governments (signed 28 December 1990)**

**Article 1.**

As of 1 January 1991, accounting for mutual payments and receivables of Czechoslovak and Soviet participants in foreign business relations will be made in hard currencies under normal worldwide terms, and in accordance with current CSFR and USSR laws.

**Article 2.**

During a transition period mutual accounting of payments for deliveries of goods and services based on contracts signed for items on the indication lists will be made to accounts (and subaccounts) set up for this purpose at the Czechoslovak Trade Bank (hereafter Cekobank), Inc., and the USSR Foreign Trade Bank (hereafter Vnesekonombank). These banks will arrange among themselves the technical details for handling payments and maintaining these accounts. Payments for goods and services related to contracts signed in excess of the items on the indication lists will be made in hard currencies based on agreements among the business participants through authorized banks in the CSFR and USSR.

**Article 3.**

As of 1 January 1991 payments for all nonbusiness operations will be made in hard currencies. Appropriate offices for either side can agree to allow payment in national currencies for certain kinds of nonbusiness activities.

**Article 4.**

This agreement supercedes the 2 March 1988 agreement between the CSFR and USSR Governments concerning the use of national currencies for accounting related to direct relationships between associations, enterprises and organizations in the CSFR and USSR, and for the establishing and operation of joint Czechoslovak-Soviet associations, enterprises, and organizations.

**Article 5.**

As of 1 January 1991 mutual accounting in convertible rubles between the CSFR and USSR using accounts in authorized banks affiliated with the International Bank for Economic Cooperation [MBHS] will be terminated. Cekobank and Vnesekonombank will agree no later than 31 December 1990 on the means and schedule for terminating this mutual accounting in convertible rubles, as specified in Article 4 of the 1 September 1990 agreement.

**Article 6.**

The contracting parties in respective protocols between the CSFR and USSR Governments will agree concerning a technique for handling debts in convertible rubles in accordance with Articles 4 and 6 of the 1 September 1990 agreement.

**Article 7.**

This agreement takes effect when signed. It will remain in effect until revoked in writing by one of the contracting parties at least three months before the start of the next calendar year. Upon mutual agreement both sides can negotiate a new payments agreement.

**Protocol to 28 December 1990 Payment Agreement  
Between the CSFR and USSR Governments**

**Article 1.**

In accordance with Article 4 of the 1 September 1990 Agreement Between the CSFR and USSR Governments Concerning the Transition to New Conditions Governing Business Relations Between the CSFR and the USSR, the Czechoslovak Trade Bank, Inc., and the USSR Foreign Trade bank will determine the final balance of mutual accounting in convertible rubles at the International Bank for Economic Cooperation as of 31 December 1990. This balance is the result of contracted deliveries of goods, the performance of services and other operations, adjusted for any related receivables.

Accounting for contracts signed under the 1 December 1989 Protocol Between the CSFR and USSR Governments Concerning Deliveries of Goods and Payments for 1990, with scheduled deliveries in 1990 but which had not been delivered as of 31 December 1990, will be maintained in convertible rubles under the conditions of the contracts for schedules agreed upon by authorized banks for each side. Deliveries under these contracts must be completed by 31 March 1991. The convertible ruble accounting balance for these deliveries of goods and services will be converted to hard currencies in the ratio of one convertible ruble per dollar. This conversion is in accordance with exchanged letters of 17 December 1990 which are integral parts of the Payments Agreement. The converted amounts will be deposited in special accounts set up in authorized banks for each side. The interest rate on Soviet debt that exceeds the loan granted under the 10 November 1989 Agreement Between The CSFR and USSR Governments Concerning a Loan To The USSR Government will be agreed upon by both sides no later than 31 March 1991.

**Article 2.**

The actual Soviet debt in convertible rubles based on the loan made under the 10 November 1989 agreement will be converted using the coefficient in Article 1 of this Protocol to hard currencies and deposited in special accounts set up in authorized banks for both sides.

The interest rate on the above loan and other loan conditions will be governed by the 10 November 1989 agreement.

**Article 3.**

Payment of the Soviet debt defined in Article 1 of this Protocol and deposited in special accounts, as well as interest credited to the Czechoslovak side on the loan made in the 10 November 1989 agreement will be made by deliveries of goods from the indication lists in equal annual amounts between 1991 and 1994, with shipments to be made quarterly. The sides will agree upon a method of prior payment of Soviet debt, including the loan from the 10 November 1989 agreement, in the event that after 31 December 1991 there is a balance in favor of the

USSR in the mutual accounting between the CSFR and USSR in 1991 trade in items on the indication lists.

**Article 4.**

After settling the accounts noted in Article 2 of the Payment Agreement, the Czechoslovak Trade Bank, Inc., and the USSR Foreign Trade Bank will jointly provide a bridge loan of 150 million dollars. If during 1991 the account balance exceeds 150 million dollars the two sides will agree to increase the bridge loan. Based on the status of the account on 31 December 1991, the debtor side will equalize the account with a hard currency deposit.

**Article 5.**

This Protocol is an integral part of the 28 December 1990 Payment Agreement Between the CSFR and USSR Governments.

**Government Job Creation Support Discussed**

*91CH0323D Prague HOSPODARSKE NOVINY  
in Czech 24 Jan 91 p 5*

[Interview with Vlastislav Smolcnp, doctor of law, deputy minister of labor and social affairs, by Katerina Sladkova; place and date not given: "The Unemployment Business"]

[Text] The transition to a market economy in conjunction with a change in the structure of the national economy and of ownership relations is bringing many previously unknown problems. One of these is unemployment. Citizen fears of losing their jobs and therefore their basic social certainties brought us to the Czech Republic Ministry of Labor and Social Affairs, to find out whether the state will be taking a hands-off attitude to increased unemployment. The Deputy Minister, Vlastislav Smolcnp, doctor of laws, gave us some specifics on the issue of creating new job opportunities.

[Sladkova] This year there will definitely be an increase in unemployment. Will state authorities be able to help expand the number of job opportunities?

[Smolcnp] Under a Czech National Council Law dated 19 December 1990, concerning employment and the authority of Czech Republic officials in the area of employment, and a decree of the Ministry of Labor and Social Affairs dated 7 January of the same year that takes effect on 1 February of this year, offices of the Ministry of Labor and Social Affairs will have the authority to provide employers in all sectors, i.e., both legal and physical persons, with guidelines for the creation of new jobs, and to provide them with financial support to defray the costs related to setting up the new jobs. This will involve the creation of both long term, socially necessary, and permanent jobs and the creation of short term public works jobs for communities or other employers. These new jobs will be filled exclusively by job applicants on file in labor offices. This amounts to a

new mechanism of an activist employment policy aimed at maintaining a balance of supply and demand on the labor market and to support new business undertakings.

[Sladkova] Under what conditions can an employer obtain this financial support?

[Smolcnp] Based on the professional makeup of applicants on file, the labor office selects those employers where creating jobs would have the greatest impact. It then signs agreements with these employers concerning the number, type, and duration of the jobs to be created by each employer, specifying the means and amounts of related costs that will be paid and other conditions, all of which the employer must comply with. The agreement must also contain a commitment by the employer that the new jobs will be filled by applicants recommended by the labor office and a commitment to return the support payments if it fails to keep the agreement.

[Sladkova] How much financial support will be offered and what form will it take?

[Smolcnp] The labor office can agree with an employer, based on that employer's budgeted financial resources, to assure payment of interest costs on loans made to the employer by a monetary institution for purposes of creating new jobs, or to give the employer direct financial grants or assistance that will be eventually paid back by the employer. The form of assistance, per job formed, can be up to 12 times the average monthly support paid by the labor office to applicants in the previous calendar quarter. For example, if the labor office provided 2,500 Czech korunas [Kcs] monthly to a job applicant, it can pay support of up to Kcs30,000 per job.

[Sladkova] What if an unemployed person informs the labor office that he has decided to start his own business? Can this person also receive financial assistance?

[Smolcnp] Of course, the decree gives the labor office the right to sign a written agreement with such a person concerning the way, the amount, and the conditions under which it will defray costs of setting up a business. What I stated in the previous response also applies to the form and amount of these payments. If, however, this person leaves the business within the first two years, for any reason with the exception of health, the person must return all the financial assistance. The labor office, however, has the authority to forgive some or all of a given assistance package.

[Sladkova] You also mentioned the creation of public works jobs. What is the procedure in these instances?

[Smolcnp] The labor office signs with a community or other employer an agreement on the type and number of jobs, how long they will last, and the costs that will be defrayed. In these cases the labor office may agree to pay the wages of the job applicants that receive such positions.

[Sladkova] Won't the Ministry of Labor and Social Affairs be out of touch with real life in making these decisions, as has been the case in the past?

[Smolcnp] I wish to emphasize this is a new program that the labor office and the ministry must learn to utilize. The consulting committees of the labor offices can help them in this because these consulting committees will be staffed by employers, including cooperatives, private entrepreneurs and unions. These committees will jointly evaluate all proposals for defraying the costs associated with new jobs.

### Development of Nuclear Energy Industry Described

91CH0364A Prague DOKUMENTACNI PREHLED  
in Czech 17 Jan 91 pp H 17-19

[Unattributed article: "Nuclear Energy in the CSFR"]

[Text] The energy situation in Czechoslovakia is such that there is no other alternative to producing part of the electric energy in nuclear power plants. The principal argument rests on the protection of the environment. Thermal electric power plants emit large quantities of contaminating substances (a 1,000-Megawatt power plant, which burns approximately three million tons of coal per year, produces seven million tons of carbon dioxide, 100,000 tons of sulfur dioxide, 20,000 tons of oxides of nitrogen, and 750,000 tons of fly ash). The fly ash contains radioactive elements and heavy metals. In comparison with this situation, a nuclear power plant emits small quantities of radioactive substances, fluid and solid waste, and spent fuel.

By producing electric energy in nuclear power plants (28 percent), in comparison with classical thermal electric power plants, Czechoslovakia would save an annual quantity of two billion korunas [Kcs], but primarily would conserve 25 million tons of coal, the combustion of which would influence the status of the environment. Average producer costs per kilowatt-hour of electric energy produced in nuclear power plants run between 17 and 19 halers; energy produced in thermal electric power plants runs to 27 halers per kilowatt-hour produced (excluding the costs of desulfurization).

Nuclear energy is the first area in the production of energy in which development of technology was accompanied by extensive safety research. In comparison with other industrial branches, the standards are stricter and are aimed at a maximum reduction of the probability of a disaster.

It is primarily Austria that protests the program for the development of nuclear power plants in the CSFR, and that is demanding the shutdown of two blocks of the nuclear power plant at Jaslovské Bohunice.



### History

The Czechoslovak program for nuclear energy was based upon cooperation with the Soviet Union. In January 1955, the USSR Council of Ministers issued a proclamation: "On the Scientific, Technical, and Production Assistance Rendered to Other States in the Development and Research Involved in the Peaceful Utilization of Nuclear Energy." On the basis of this proclamation, the first agreement on cooperation in nuclear energy was signed on 17 April 1955, in accordance with which the Soviet Union promised to help Czechoslovakia in establishing its Institute for Nuclear Research at Rez near Prague. For this institute, the Soviet Union delivered the principal experimental installation—the VVR-S research nuclear reactor (delivered in 1956), the cyclotron, measuring apparatus, etc. The first fission chain reaction in Czechoslovakia occurred 25 September 1957. The Soviet Union even assisted in training our cadres at Soviet work sites.

The Czechoslovak-Soviet agreement on assistance in establishing the first Czechoslovak experimental power plant (A-1) was signed 17 March 1956. Building of this power plant began with Soviet assistance at Jaslovske Bohunice in 1958. The first chain reaction occurred on 24 October 1972. On 25 December 1972, the power plant was patched into the energy grid. The first A-1 Czechoslovak nuclear power plant had a single reactor, cooled by gas and moderated by heavy water. It remained in operation until 1978.

In view of the technical demands of producing and operating heavy-water reactors, the Czechoslovak concept of developing nuclear energy was reevaluated in the 1970's and it was decided to orient further nuclear programs toward the development of Soviet light-water reactors of the VVER type (a power reactor cooled and moderated by light water).

Currently, the concept of the further development of nuclear energy is again being reevaluated, both from the standpoint of operational safety and from the standpoint of efficiency and the requirements of the Czechoslovak economy.

### Activation of Blocks of the VVER-440 and VVER-1000 Reactors and of the Other Structures Involved in the Nuclear Program

Title of Project	Type and Output		Date Activated for Trial Operation
	Reactor Type	Turbines	
Jaslovske Bohunice	VVER-440	2 x 220	1979
	VVER-440	2 x 220	1980
	VVER-440	2 x 220	1984
	VVER-440	2 x 220	1985
Dukovany	VVER-440	2 x 220	1985

### Activation of Blocks of the VVER-440 and VVER-1000 Reactors and of the Other Structures Involved in the Nuclear Program (Continued)

Title of Project	Type and Output		Date Activated for Trial Operation
	Reactor Type	Turbines	
	VVER-440	2 x 220	1986
	VVER-440	2 x 220	1986
	VVER-440	2 x 220	1987
Mochovce	VVER-440	2 x 220	
	VVER-440	2 x 220	
	VVER-440	2 x 220	
	VVER-440	2 x 220	
Temelin	VVER-1000	1 x 1000	
	VVER-1000	1 x 1000	

### Lack of Interest in Securities Viewed

91CH0323B Prague HOSPODARSKE NOVINY  
in Czech 22 Jan 91 p 9

[Article by Jaroslav Zelinka: "Why Is There No Interest in Bonds?"]

[Text] The Czechoslovak State Bank [SBCS] conducted a study at the end of last year concerning the issuance of bonds. The aim of the study was to determine the volume of bonds that have actually been sold, the main problems related to their placement, and the ways that the financial resources obtained through the sale of bonds were used. The study covered bonds authorized as of 31 October 1990.

As of the above date a total of 198 issues had been approved, totalling 4.203 billion Czech korunas [Kcs]. The table below summarizes data on the volume of authorized bonds and their actual placements.

**Table 1. Volume of Authorized Bond Issues  
(in millions of Kcs)**

	Authorized	Sold	Percent
1. Total volume of issued bonds	4,203.0	1,629.95	38.8
Including			
—Bank and monetary institution issues	2,045.5	1,269.9	62.1
—Business issues	2,158.0	360.05	16.7
Of total issued volume			
—Negotiable bonds	2,464.0	1,417.97	57.5

The table shows that interest in purchasing bonds has been centered on bonds issued by banks and monetary institutions. This includes the Commerce Bank [KB], Prague, and the General Credit Bank [VUB], Bratislava, which have issued negotiable bonds in the amount of Kcs2 billion. The large value of bonds sold is due in some measure to the fact that the Bratislava VUB started

selling bonds at the end of 1990. Studies also showed that most of the interest was in negotiable bonds. Again this mostly concerns KB Prague, VUB Bratislava, and certain other issues of organizations such as Kurim Machine Tool Factories [TOS], the May 1st Rubber Plant in Puchov, and Ceske Budejovice Motor.

In contrast there was little interest in bonds issued by businesses. The lack of interest, or more precisely the reservations, of the public to put their long term savings into bonds issued by businesses, in addition to the fact that they were mostly so-called employee nonnegotiable bonds (businesses only issued Kcs464 million in negotiable bonds), can be summarized as follows:

- Low interest rates on bonds issued at year end in comparison with interest rates on savings offered by institutions after the change in the discount rate.
- Expected changes in organizational structures and a related increase in doubts about their futures.
- The tendency of the public to put its money in real property, especially consumer durables.
- Long lead times (statement of intention, approval of request, printing, sale) resulted in many cases in a lack of interest on the part of employees in bonds, in conjunction with continual changes in currency and economic conditions, such as price increases, interest rate increases, market situations, etc.
- Taxation of bond interest under the income tax law, which sets the tax on bond yields at 25 percent.
- No advertising and insufficient market research.
- Limited access by organizations to printing facilities, resulting in long lead times for printing the bonds and high printing costs.

The most important of the above list of the reasons for low sales of employee bonds seems at present to be the low interest rates offered. This situation is also evident by the fact that some bond holders are demanding their money back even before the bonds are due to be paid off. Organizations are presently asking for changes in the conditions of offerings, and above all for permission to increase interest rates so they can compete with monetary institutions. Organizations can take advantage of this opportunity, under securities law, within a year of the passage of this law.

Organizations for the most part justify the need to issue bonds by citing the need to obtain financial resources to fund their development requirements. In view of the value of bonds sold, the real contribution lies in verifying the attitude of employees to an organization. Surveys taken at organizations confirmed that the resources obtained from bond sales in most instances did not cover development objectives. Organizations are using the resources obtained by these sales to reduce their debt and to finance ongoing operations.

Generally it can then be stated that issued business bonds are not making a very large impact on the actual creation of a financial market. The costs and effort

connected with a bond issue can therefore not be considered commensurate with the achieved results.

The basic legal questions regarding the issuing and handling of securities, as well as the legal relationship between issuers and holders of securities are codified in the securities law passed by the CSFR Federal Assembly on 26 November 1990 (see HOSPODARSKE NOVINY 3 December 1990), which took effect on 1 February 1991. This law allows the issuing of government and community securities, including mortgages, which should account for a significant share of total securities in the future.

## POLAND

### Balcerowicz on Need for Excess Wage Tax

91EP0313A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 9-10 Feb 91 p 1

[Comments by Deputy Prime Minister Balcerowicz as detailed by Piotr Aleksandrowicz; place and date of comments not given: "Balcerowicz's Diagram"]

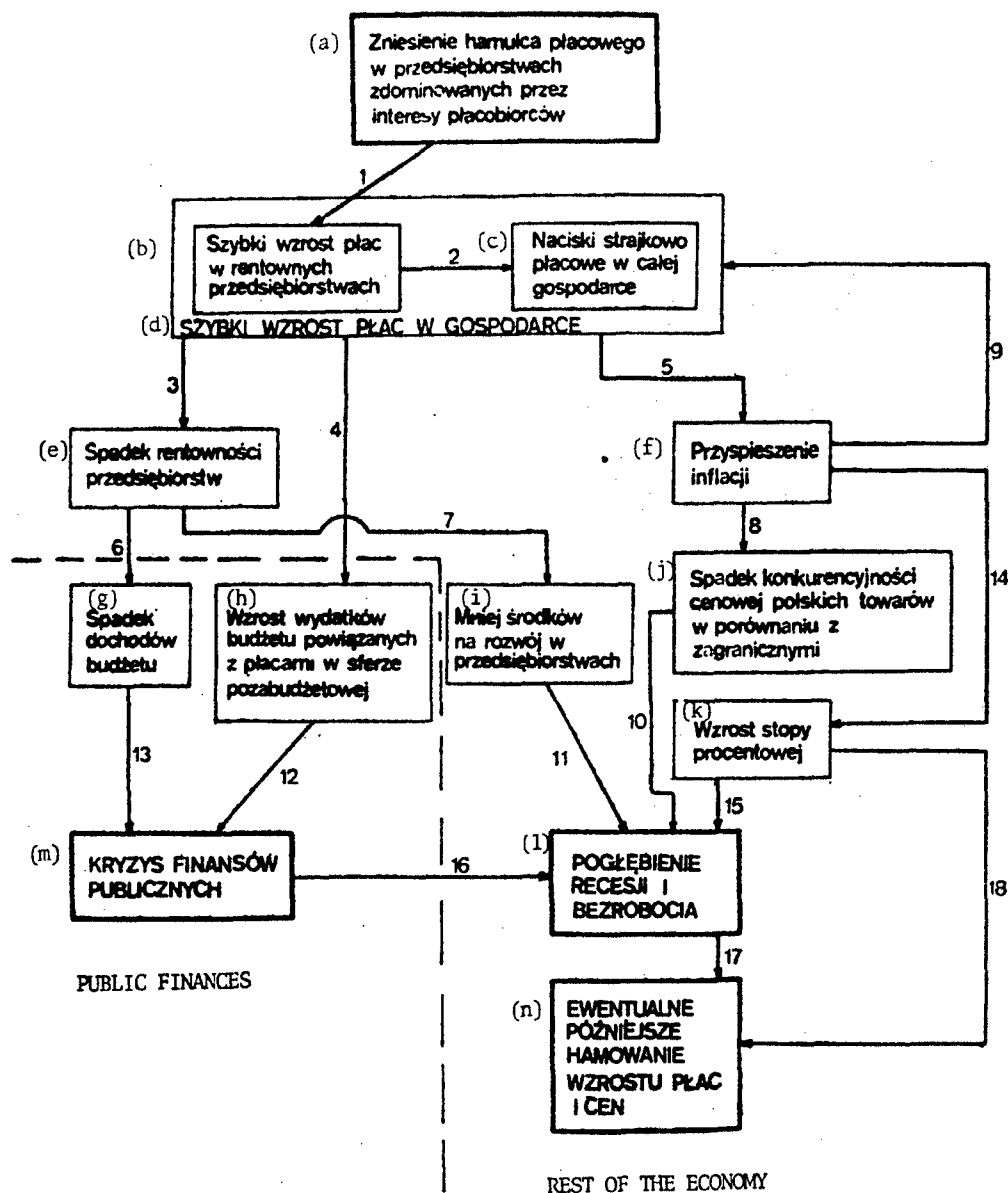
[Text]

[Aleksandrowicz] We asked Deputy Prime Minister Leszek Balcerowicz to make a few comments on the diagram which explains the effects of the elimination of the tax on above-the-plan wage growth.

[Balcerowicz] The diagram shows that sudden elimination of an anti-inflationary wage regulator in enterprises in which there are no authentic owners leads to very serious, negative economic effects. First, a crisis in public finances appears, manifested by a drop in incomes on one hand, and a growth in expenditures on the other hand, resulting in a budget deficit. The second serious effect, related to the first, is a deepening recession, unemployment, and earlier, an acceleration of inflation.

[Aleksandrowicz] But there are countries, probably the majority, in which such a brake on taxes is unknown. Second, it is increasingly difficult to reconcile ourselves to this instrument because it is applied selectively and pertains to only a part of the economy.

[Balcerowicz] Those are two questions which are interconnected. A brake on wages is unknown in those countries in which private ownership predominates. There is no need there to apply special tax-type solutions because natural forces exist which counterbalance the interests of the wage earners. However, there are sometimes very hard negotiations between employers and their employees. There is collective bargaining which specifies certain limits for a permissible growth in wages. Finally, there is a hard monetary policy. I doubt whether in our circumstances a hard money policy would be sufficient to slow down inflation, to slow down a growth in wages. It is an essential condition, but not a sufficient one.



## Key:

- (a) Elimination of wage restraint in enterprises dominated by wage earner interests
- (b) Rapid wage growth in profitable enterprises
- (c) Wage strike pressures in entire economy
- (d) Rapid wage growth in economy
- (e) Decline in enterprise profits
- (f) Acceleration of inflation
- (g) Decline in budget receipts
- (h) Growth in budget expenditures connected with nonbudget sphere wages
- (i) Less funds for development in enterprises
- (j) Decline in price competitiveness of Polish goods compared with foreign
- (k) Growth in interest rate
- (l) Deepening recession and unemployment
- (m) Crisis in public finances
- (n) Possible later slowdown in growth of wages and prices

Everywhere where there is no adequate ownership structure, artificial restraints have been used, anti-inflationary stabilizers, in various forms. At one time this took the form of limits on the wage fund, then during the period of the reformation of the economy, called socialist, it took the form which now appears. Furthermore, the countries which we should watch very closely, such as Hungary and Czechoslovakia, strengthened these instruments during the course of their stabilization programs. In Czechoslovakia, since January, very drastic price increases are being put into effect and, at the same time, the permissible annual growth of the wage fund is eight percent. Above that level, the Czechoslovak excess wage tax begins to function, one much more drastic than the Polish one. In Hungary, after a milder period during 1988-89, this instrument has now been sharpened. Insofar as the question of the differentiation in the tax's range of effect is concerned, there are enterprises in which there are people who are interested in profits, who keep track of the enterprise's money, and here we can with reasonable safety not apply such an imposed-from-above instrument. And there are enterprises in which there are no forces to counterbalance the striving for wage growth. The fact that private and state enterprises are treated differently is due to the natural differences in their social structure and the structure of authority. At the same time, that is precisely why we are striving for quicker privatization, in order to reduce the number of enterprises in which this brake will be applied.

[Aleksandrowicz] But many state enterprises, transformed into private ones, or many new private enterprises, are starting up their operations by fixing wages at a level two or three times higher than the average in the country.

[Balcerowicz] This is not, I believe, a general phenomenon. Such a procedure can lead the enterprise to bankruptcy. I think that private owners, if they are authentic managers, will oppose this. Furthermore, I believe that in those cases in which a distinct growth in wages appears, and where at the same time there are authentic managers, this has been accompanied by improved employment efficiency and a large growth in labor productivity. After all, the point is not to simply put a brake on wages, but that the rate of the wage growth be the result of appropriate actions in the enterprise, more economical management. An authentic owner does not increase wages simply because he can pay more. He sees to it that wage increases are preceded by better work organization and, very simply, by better work.

#### Goals of New Polish Development Bank Noted

91EP0324A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 11 Feb 91 p 1

[Interview with Wojciech Kostrzewa, chairman of the Polish Development Bank by Joanna Trepkowska; place and date not given: "Polish Development Bank S.A., Debut of the Superbanker"]

[Text] [Trepkowska] The Polish Development Bank S.A., organized three months ago, is preparing for operation. RZECZPOSPOLITA is interviewing the president of the bank, Wojciech Kostrzewa, about its position in Polish and foreign financial markets and about its most important tasks.

[Kostrzewa] The Polish Development Bank is a single-entity corporation of the State Treasury and is subject to all the rigor of bank supervision. Its stock capital at the moment is 800 billion zlotys, but by springtime it will be substantially increased—another 200 billion will be added by the Agency for Industrial Development, and a certain sum which has not yet been fully determined, by three western banks.

[Trepkowska] The French bank, Credit National, came forward with two million ECU [European Currency Unit] as early as last fall.

[Kostrzewa] At present, we have two foreign partners: the Credit National already mentioned and the Austrian bank, Invest Kredit. Negotiations are under way with a third contracting party.

[Trepkowska] What will be the capital investment of the foreign partners?

[Kostrzewa] They will hold from five to ten percent of the capital of the Polish Development Bank. But, first of all, their participation will guarantee us a better position in the international market. In a way, they constitute evidence of the high quality of the service we render. Foreign partners help our young institution technically; I have in mind the transfer of information and extensive commercial contacts worldwide. Some of our employees were and are being trained in courses in Austria organized by Invest Kredit and by the Austrian Central Bank. Some colleagues successfully completed courses in Paris.

[Trepkowska] What kind of activity does the Polish Development Bank intend to undertake?

[Kostrzewa] The name itself indicates common origins with similar institutions in the world. The best known are the World Bank and the new initiative of the EEC, the European Bank for Reconstruction and Development (EBRD), as well as numerous regional national institutions. A common trait of these institutions is at least the indirect participation of state capital. Although the development banks are, from the very beginning, independent financial institutions, they become a unique tool for realizing far-reaching economic goals of the state, but, in reality, they act according to market mechanisms.

[Trepkowska] But does this not threaten limiting the bank's independence?

[Kostrzewa] Independence must be the basis of functioning of every development bank. If the bank becomes an implement for realizing orders from above, from the centers of power, it does not survive economically, it

loses its reason for being. The history of similar institutions in the world indicates that the stated strategic goals can be reached without loss of independence.

[Trepkowska] What will the Polish Development Bank undertake?

[Kostrzewa] We have a great number of plans, but, unfortunately, we must spread them over time. We want to begin functioning by the end of March or the beginning of April.

[Trepkowska] At approximately the same time as the European Bank for Reconstruction and Development?

[Kostrzewa] Somewhat sooner, although that was organized a few months before our bank. Ours will be an institution of the APEX [expansion unknown] type. This is a term little known outside a narrow circle of specialists, so I think it would be worthwhile to be more precise. Putting it briefly, the Polish Development Bank as an APEX institution will be a refinancing bank and not a retail bank.

This means, specifically, that, as a rule, clients will not come to us directly, but indirectly—through several commercial banks with which we will sign an agreement on cooperation. There they will find our credit forms, and if the credit quota does not exceed the limit adopted by us, these same banks will evaluate the project financially. This is indispensable for the procedures of granting credit to be efficient and for the channels not to become blocked. This is in our interests and those of our clients.

Let us return to explaining the mechanism of our activity. So, after accepting a specific proposal, a proposal (from an intermediary bank or in exceptional cases, made by us) the Polish Development Bank will give the commercial bank a promise of refinancing credit at a specified interest, and the margin of profit will then not exceed the specified limit. We are thinking of a mechanism for determining it that would stimulate competition among banks, our contractors, wherever this might be possible.

This mechanism would make it possible for the Polish Development Bank to maintain neutrality and independence, by granting credit in this indirect way to those areas which are at present especially important for restructuring the Polish economy.

[Trepkowska] Which areas do you have in mind?

[Kostrzewa] Primarily the development of small business. A whole line of credit will be allocated for small and medium enterprises. We will grant credits for restructuring purposes. Enterprises that find themselves in the process of privatization or commercialization will get credits. We also aim to become involved in projects that serve energy conservation and environmental protection.

[Trepkowska] How do you intend to support privatization?

[Kostrzewa] Mainly through the development of a capital market. We have already made contact with the Ministry for Ownership Transformation and we are preparing to train stockbrokers. We want to be a bank with stockbroker licenses, therefore we want to find ourselves among institutions that are forming the future stock exchange.

We also want to be involved in projects that will indirectly accelerate privatization: here I have in mind the creation of mutual investment associations. One of the initial projects pertaining to our cooperation with the EBRD has to do with the creation of such associations. Some of the money and know-how actually would come from the EBRD.

[Trepkowska] It is rumored that the Polish Development Bank bought shares of the first privatized enterprises?

[Kostrzewa] We bought shares in Krosna and Tonsil. And we believe that this is a good business. Although we are not doing business officially yet, we must think about good investments for the funds we already have. Therefore, in part, we invest them in the interbank money market being formed, and we are committing some of the funds to enterprises that bring the greatest profit in the medium term, and therefore, provide the best security against inflation—[in the form of] working capital or enterprise shares.

[Trepkowska] Just as banks value enterprise shares, in the same way many institutions in countries with market economies are interested in buying bank stock, recognizing this form of capital investment as the most secure.

[Kostrzewa] I think that we will also be pioneers in the Polish market for paper securities. We would like to realize the first issue of our own stock by the end of the year in order to obtain funds in this way for financing small business.

[Trepkowska] Development banks usually participate in redistributing funds received from foreign sources. Will the Polish Development Bank also apportion credits coming from western financial institutions?

[Kostrzewa] I have already mentioned our cooperation with EBRD; at present it pertains to two projects. We are counting on a favorable evaluation of our proposals on energy conservation and environmental protection and the creation of associations for joint investment. We are also in continuous contact with the World Bank, and we are seeking to participate in the establishment of so-called restructuring-privatization credit. This is to be granted to Poland in the middle of the year. First, however, we must go through a whole application process at the World Bank. This is not at all easy. Experts in this financial institution investigate our knowledge, plans, and calculations. I trust that we will pass this exam satisfactorily.

Our funds will come not solely and primarily from external sources. They will be our own funds and the budget may also contribute. There are all indications that within the framework of corrections to the budget plan, some of the funds originally intended for the Labor Fund will be transferred specifically to the Polish Development Bank. These funds will make it possible to grant preferential credits to small and medium enterprises which are also taking steps to create additional jobs for the unemployed.

### **Role for New Plenipotentiary of Entrepreneurship**

91EP0321B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 8 Feb 91 p 1

[Interview with Krzysztof Bialowolski, government plenipotentiary for entrepreneurship promotion, by Ewa Zychowicz; place and date not given: "We Know the Problems, We Need a Policy"]

[Text] [Zychowicz] Your department is something altogether new in the structure of management authorities. Can you clearly define your tasks after two weeks in the position?

[Bialowolski] My position was established by a resolution of the Council of Ministers as of November, 1990. It defines the responsibilities of the plenipotentiary of the government for supporting entrepreneurship. Mainly, they are initiating and coordinating activities aimed at establishing legal acts regulating the creation and activity of small and medium enterprises and evaluating their efficiency from the aspect of an increase in economic activity. The responsibilities include the coordination of obtained funding, national and foreign, for the development of these enterprises and creating promotional, guarantee and credit institutions for them. Finally, preparing and training manager personnel who would be helpful in working out and implementing system changes required for proper development of private enterprise.

[Zychowicz] Do you feel yourself to be properly prepared for these enormous tasks?

[Bialowolski] I was president of the Polish Economic Chamber of Private Industry and Trade, therefore I know by heart all the problems and difficulties that burden the circle of private businessmen. I have experienced them myself. Now, obviously, my situation has changed, but no one can say that I am a novice in these matters.

[Zychowicz] Being someone who passed "to the other side," do you not have trouble with identification?

[Bialowolski] Quite certainly I identify with the government and represent its point of view, which does not at all mean that I am forgetting my previous experiences. I make decisions independently and think that in the system of dependence in which I have found myself, I am finding a place for my own activity.

[Zychowicz] Do you have any priorities among those tasks precisely defined by the resolution?

[Bialowolski] Obviously. If we want to support small and medium entrepreneurship, then good information is most important—about what is going on in the world, about what others have done long ago with the same problem. For this reason much weight will be placed on training personnel and supplying this sector of management with appropriate, highly qualified people. A cohesive legal infrastructure, clear, unequivocal regulations supporting private entrepreneurship are also necessary. This is also connected with a suitable tax system, access to credits, and a system of tested guarantees. One cannot exist without the other.

[Zychowicz] Will it be possible to create such a whole system serving medium and small entrepreneurship in Poland?

[Bialowolski] The whole matter rests on the selection of the path we choose to follow. Certainly everyone knows the problems, so we must develop a proper economic policy that will create suitable conditions for the development of small and medium enterprises.

[Zychowicz] Your activity must then be supported by other institutions that have the same goals....

[Bialowolski] Obviously, I cannot act alone. For me, the most important partners are the Ministry of Finance and the Ministry for Ownership Transformation. I also want to cooperate with the management offices, which have, so far, been acting somewhat apart from real life. I favor strict separation of powers. The government must be responsible for establishing laws, but the management offices could successfully undertake all services connected with consultation or training.

[Zychowicz] We have said little about money, which is of key significance for developing private entrepreneurship.

[Bialowolski] The banks should be involved in money and borrowing money, again within the framework of separation of powers; it is important to attract foreign capital which will come only if it recognizes that investment in Poland is profitable and conditions for activity are stable. We, in turn, will not manage without cooperation with foreign countries, but we must work on the principle that we invite foreign companies and watch over what they do.

[Zychowicz] Voices are being heard that private entrepreneurs frequently act with no control, that the worst, bloodthirsty modern capitalism is rampant without the protective mechanisms later developed. How can we counteract this?

[Bialowolski] Thus far, in Poland, we have no developed capital market, these phenomena must be recognized as the social cost we are paying for accelerated adaptation of capitalism. Other countries required entire decades for this, we want to build everything in a few years. I

think that we will have to try to minimize these negative results of acceleration, and to create a proper social atmosphere.

The press, consulting companies and, finally, my own department have much to do with this. But using it to produce a proper climate for entrepreneurship cannot depend on my devising something and implementing it. What is concerned here is that people be persuaded that being an entrepreneur is worthwhile. And that is my most important task.

### Financing Telecommunications Modernization

91EP0324B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 11 Feb 91 p 1

[Article by Krzysztof Szczesniak: "Financing Telecommunication: In Thirteen Ways"]

[Text] Communication between Poland and the world will be built in stages in the near future. The first concern will be providing connections from Poland and to Poland, or international connections. Then, intercity communication will have to be modernized, and finally, we will be able to think about a phone in every home in the city and in the village.

In practice, this plan will not be so clear, the scale of needs is enormous and there is little time. Then, too, the separate stages will grow cold or overlap. One thing that is certain, however, is that the years 1991-93 will be decisive. According to estimates, 17.5 billion zlotys [Z] will have to be spent during this period for development and modernization of the telecommunication network in Poland, Z4.5 billion in the current year Z6 billion next year, and Z7 billion in 1993.

Where will this money come from? Most of it will have to be our own money, and various kinds of foreign credits will be secondary. Each of the tasks, and there are an ominous thirteen, is precisely described. It cannot be otherwise; international financial institutions require this of us and negotiations are proceeding on the basis of these plans.

As an example, eventual credits from the World Bank in the amount of \$120 million and from the European Investment Bank in an amount of approximately \$80 million are now being coordinated. We would like to use this money to build 12 transit exchanges, two telex exchanges, a EUTELSAT satellite system situated on the ground, a center for supervising the network, and for training.

Funds obtained from French credit from the Alcatel CIT company would also be used to improve international communications. This pertains to E 10 B central exchanges with 314,500 connections for Poznan,

including a pilot exchange, equipment, installation, and activation. This involves \$104 million; discussions are continuing and we cannot take the outcome for granted.

A similar intercity and international exchange should be put into service in Katowice, and this would require \$2.1 million. At the same time, the whole telecommunication network should be modernized in Katowice, including the purchase of four transit exchanges for the sum of \$42 million. Both of these capital construction projects would be financed within the framework of credit from the German Siemens company. At present, these negotiations have not been finalized.

Finally, as far as international communications are concerned, we must mention two exceptionally important tasks that were born quite long ago, but have grown to realization only a few months ago. These are the purchase and location on Polish territory of coherent flexible fiber bundles creating east-west and north-south lines which would give us connections with other countries and yield profits for telecommunication transit services. Taking the foreign currency requirements into account, this would mean a total of \$56 million for which we making application at the World Bank. Negotiations have begun, but it is difficult to say when they will be concluded.

At an identical stage, in the negotiation phase, are also such projects as: providing telephone service to Przemysl Voivodship within the framework of Italian credit (\$20 million), replacement of the telegraph exchange in Krakow and Lublin (a total of \$4.3 million), and replacement of the radio transmitter in Raszyn (\$3.5 million). The last two projects pertain to negotiated credit from the Swiss government. One must also mention providing telephone service to the Opole Voivodship, for which the Korean government has offered funds. We are speaking of \$50 million, but this all depends on discussions. Reconstruction of local networks in the Lodz loop and automation of the Skierniewice, Sieradz, and Ciechanow Voivodships would cost approximately \$200 million. We do not know whether we will succeed in realizing these plans. There is a long road between the proposals and the money in the bank in our own accounts.

As a matter of fact, at the moment we are certain—for they have been signed—of two sources of credit. The first is the business credit from the Siemens company for the reconstruction of telex exchanges in Warsaw amounting to as much as \$5.4 million. The second is credit from the Spanish government amounting to \$78.7 million, on very good terms, due to which we will be able to radically improve telephone connections in Warsaw in two years. Moreover, contracts have been concluded for almost \$59 million and delivery of purchased equipment continues. Thus, we can say that so far we have benefitted most from Spanish money and Spanish help, although little is said about this.

**Poor Telecommunications in Rural Areas Profiled**  
*91EP0321A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 8 Feb 91 p II*

[Article by Krzysztof Szczesniak: "Telephones for the Village: Priority for Blank Spots"]

[Text] The state of Polish telecommunications is bad, but telecommunications in the villages is even worse, it might actually be said, catastrophic. The facts speak for themselves. By the end of last year, 392,000 telephones were installed in Polish villages.

Is this a lot or a little? It is very little. Especially if the number is converted to [a ratio] per 100 residents. It will then show that there are 2.43 telephones per 100 residents, while nationally, this index is 8.23 per 100 residents.

For comparison, according to data as of the end of 1987, this index worldwide was 8.8:100 residents, and, in Europe, it was as high as 21.54:100. Therefore there is not much to be proud of; on the contrary, the pejorative statement that we are so many years behind the Third World has, in this case, a firm basis.

Moreover, depending on the region, this index varies from 1.53:100 (southern part of the country) to 4.44:100 (northern Poland). Another significant index is the so-called access to a telephone in villages. According to available data, two years ago of the 51,717 villages, 4,433 villages had no telephone service, and approximately 4,000 of the remaining did not have 24-hour service. Only every 30th farmhouse in a village had a telephone. Of almost 2.5 million unfilled applications for telephone installation, approximately 305,000 were from villages.

Truly, this is something to be ashamed of. However, shame in itself will change nothing. A break can result only from a change in the erstwhile, negative conditions that inhibited almost every initiative.

Today, this is already the past. The new Law on Communication removes the state monopoly in the area of telecommunications. New prospects have been opened up for the villages, it appears that a village network can be established by anyone—a Polish partnership or a foreign one, a company completely funded by western capital, as well as a private individual (obviously, with a fat portfolio at his disposal).

This process has already started. Information is reaching the Ministry of Communications that emissaries are wandering about the countryside persuading the farmers to install telephones. Many of them undoubtedly treat the matter seriously. In order to avoid wasting resources, conflicts, or a general breakdown of activity in this sphere, some matters had to be elucidated. For this purpose, last 7 February, Stanislaw Szuder, deputy minister for communications, invited a group of journalists who are especially involved in reporting on the village situation [to a meeting] to inform them on the path the

department wants to follow to attain the goal with the least expense and least effort.

The construction and development of a village network requires building a whole telecommunications infrastructure. It is not enough to provide telephone communications to one or two villages without providing telephone owners with the possibility of connections with neighboring towns, the capital, or even abroad. In a word, village central offices must have the capability of being connected to primary central offices—district offices with the potential for transit upward to a central office of a higher order. Then, in starting anything, we must first contact the voivodship administrations of PPTT [Polish Posts, Telegraphs and Telephones] to coordinate the possibility and conditions of connecting the proposed network with the PPTT network. The second stage will be to apply to the minister of communications for permission to provide services and for allocation of numeration.

If it develops that there are several entities interested in providing telephone communications for a given district, then a call for bids will be made. Obviously, there will be a fee for the permit, but the amount has not yet been fixed. In any case, the department foresees far-reaching improvements and a reduction in charges (up to as much as 90 percent), but only with respect to village subscribers. The principle that members of community committees for telecommunications will be credited with charges for so-called acknowledgment of contract (2.5 million zlotys) will continue to apply.

The budget for 1991 contains a quota of 30 billion zlotys for financing village telephones. As Deputy Minister Szuder said, this money will be used in the first place to install telephones in those villages which thus far have not even one telephone.

**Cable Television Company Begins Installations**

*LD2303221191 Warsaw PAP in English 1627 GMT 23 Mar 91*

[Text] Warsaw, March 23—The Polish Cable Television Company plans to install a network for broadcasting satellite-transmitted programmes to 11 Polish towns during the next four years. Work under this nearly 900-million-dollar project is already under way in Gdansk and they will soon begin also in Katowice, Bialystok, Wroclaw, Krakow, and Warsaw. The new network will offer the basic package of 30 channels including CNN, Discovery, and Eurosport in Polish translation for some \$6 a month and other channels for an extra fee.

**ROMANIA**

**Analysis of Current Economic Problems, Solutions**

*91BA0368A Bucharest ROMANIA LIBERA in Romanian 21 Feb 91 pp 1, 2*

[Article by Augustin Muraru: "Reform and Bayonets"]

[Text] The National Salvation Front and the Petre Roman government have summed up their governance



program in several gambles. Essentially, the government has gambled that in 18-24 months it will extricate Romania from the crisis and lay the foundations for a market economy, through privatization, liberalization of prices and wages, and convertibility of the national currency.

For three months (July-September) the governance program logged only favorable opinions, both for its "liberal" content and for the speed with which it was to be put into practice. The inevitable difficulties and criticisms arose as soon as the government came to formulating some legislative enactments and making some governmental decisions in order to implement the program. Back in August I wrote that the real opposition that the government would have to fight in implementing the reform would not be the parties represented in Parliament but the administrative and economic structures inherited from the old regime. Some thought that I had exaggerated. Later on Mr. Petre Roman and his close advisers came to the same conclusion. But it seems that we were all wrong. Now, in the middle of February, we find that the opposition to the government's economic policy is much broader and stronger. The industrial workers and their trade unions have openly joined it.

How did it come to this situation?

As other commentators also found, last October the government already knew in principle that it would have to build (because an economic reform is a structure), but it did not know where to begin. At first it appeared that privatization was going to begin. Back in July Mr. Adrian Severin advanced the draft law on commercial companies not to be financed by the state, proposing that in a first stage, 30 percent of the commercial companies' capital would be privatized by way of distribution, free of charge, of bonds convertible to shares. The law was ratified but privatization did not begin. The state enterprises changed their name to commercial companies but the state is still their boss. In short, it is the same king with another hat!

Could the fear of reverting to "capitalism" be involved? Could the opinion of Birladeanu and other former Communist personnel who bitterly criticized the "Severin plan" have won the day?

Later on the government attacked the problem of reform from another angle: It began to liberalize prices (that is probably the "Stolojan plan"). The consumers' and producers' reaction was entirely negative (The demonstrations, street events, and strikes in November and December are the most eloquent evidence). Confronted with this rejection (and on President Iliescu's advice too, and probably also informed by Mr. Magureanu) Mr. Roman abandoned (temporarily) this approach as well, and it seems the economic reform has reached an impasse.

The record of the government's efforts to extricate the national economy from the crisis is still negative. The government has undertaken nothing, or it has succeeded in nothing of what it proposed to do for restructuring energy-intensive and unprofitable industry, restoring the balance of trade, attracting foreign investment capital, and lowering the budgetary imbalance. Instead, as Minister Anton Vatesescu tells us, it has succeeded in imagining and designing "scenarios" and corresponding programs for energy disasters. We all found out at the beginning of this month how those programs are "implemented."

However, it would be easier for the government to cope with the difficulties if it had money (dollars, not any currency). But it no longer has any because the \$10.5 billion inherited from the old regime has "melted" to next to nothing. Other bills, in foreign exchange, are falling due and must be paid. To be sure the International Monetary Fund will help to pay some of them, but the crisis situation will remain and will be aggravated unless some intensive measures are taken to stimulate export production.

I wonder too, along with you, how it came to such an impasse or, what is even more serious, to the verge of an economic disaster? The truth is that Romania's economic problems in 1991 can be solved only by a combination of political and economic measures. The government has ignored the political side of the proposed reform. Achievement of such a radical reform in so short a time requires acceptance and involvement of all political forces and all productive elements in its accomplishment.

Mr. Petre Roman's government of technocrats seems to have overrated its powers and forces and disdained the rest of the political forces, including the honest militants of the FSN [National Salvation Front]. Writing an elevated oration, giving a brilliant speech to the Council of Europe, defying the opposition, and chastising the trade unions (as Mr. Baltazar did) are relatively easy matters for educated men with a propensity for polemics. The government has operated like a team of chemists in a laboratory. Its programs and scenarios seem to overlook the individual, the producer, and the consumer. The government has had no contacts with the trade unions or the electorate for a long time.

In fact, no political party, not even the FSN and its dailies, has had anything better to do than battle with the extraparlimentary opposition and the independent press. Meanwhile the most realistic of the "Frontists" have taken firm hold of an advantage. By infiltrating the economic structures and those of the state administration and under the protection of the government party, many FSN "cadres" have been compromised in dubious dealings and have helped to spread corruption.

The temptation and fascination of power have driven the new governors to rash and arbitrary measures to consolidate their power on the local level. The population was

not consulted when they changed the administrations of the counties, cities, and communes. The government has been afraid to organize local elections. It is an inexplicable fear because it is only through local elections that they could create a political and administrative infrastructure with incorruptible people and one sensitive to the policy and programs for socioeconomic renovation and democratization.

Now, over a year since the revolution, the government is in the position of preaching reform of a divided, amorphous, and disorganized society in which selfishness, intolerance, and discouragement are wreaking havoc. By its policy so far, that of gaining and maintaining power at any price, the Front and its government have wasted their opportunity to win the bets they made with the electorate. They have lost the sympathy and support of a large part, if not the majority, of the university intelligentsia, researchers, students, and youth in general. They have also lost the support of a large part of the industrial working class and technical intelligentsia. To judge by the events of the last few months, the trade unions evidence, to a great extent, a lack of understanding of the program and the economic reform and display hostility to the government's economic policy. Outside of pensioners, it appears that there is no compact social-professional group that will support the government without reservations.

The government's strength lies in the state organization, namely the ministries, the Army, the SRI [Romanian Intelligence Service], the police, and the local and financial administrations. The Army is still the pillar of strength of the governmental structure, and the reinforcement of that pillar is the generals and colonels trained in the schools of the old regime, which they served with devotion until it fell! A government can master a country with such forces, but it cannot extricate it from a crisis, so far from being able to bring it abreast of the democratic countries with market economies, because "You can do anything with bayonets but you cannot sit on them." Is it not so? The political, financial and electoral due dates are approaching and are imminent, but a bankrupt government will be unable to meet them.

## YUGOSLAVIA

### Libyan Loan to Bosnia-Herzegovina Discussed

LD1803182491 Belgrade TANJUG Domestic Service  
in Serbo-Croatian 1423 GMT 18 Mar 91

[Text] During the visit of Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, to Tripoli, a Libyan loan to Bosnia-Herzegovina in the amount of \$50 million for the revitalization of the economy of the republic was agreed in principle. Also, over the next few days two oil tankers will be delivered to enterprises in Bosnia-Herzegovina as repayment for most debts.

This is stressed today in a statement on the talks held last weekend between Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, and the Libyan leader Mu'ammarr al-Qadhafi. A statement of the Department for Information of the Presidency of the Socialist Republic of Bosnia-Herzegovina states that Dr. Haris Silajdzic, minister of information and cooperation in the government of Bosnia-Herzegovina, also travelled with the president of the Presidency on his visit to Libya.

President Izetbegovic and Minister Silajdzic were received by Libyan leader Mu'ammarr al-Qadhafi immediately upon their arrival on Saturday. During the talks, in which consideration was given to the realization of mutual relations and cooperation between Bosnia-Herzegovina and Libya in the framework of overall Yugoslav-Libyan relations, it was stated that these relations are based on friendship and mutual understanding. In the talks the interest of both sides in further strengthening economic relations between Bosnia-Herzegovina and Libya was particularly stressed. The focus of the talks was on to the economic difficulties facing the economy of Bosnia-Herzegovina, and on the question of the regulation of the outstanding debts owed to our contractors in Libya—especially the Energoinvest, Hidrogradnja, and Bosna enterprises from Sarajevo. These requests were met with understanding by the Libyan side.

Over the next few days two oil tankers will be delivered as a form of repayment for most of the debt owed to enterprises in Bosnia-Herzegovina. They will be delivered to the Bosanski Brod refinery. A Libyan loan to Bosnia-Herzegovina in the amount of \$50 million for revitalizing the economy, and primarily for the financial recovery of the business operations of the Zenica Iron and Steel Works and its accompanying activities such as the mines, the railways, and the electricity supply industry, was also agreed in principle.

During his stay in Libya President Izetbegovic had talks with the governor of the Central Bank of Libya, and met with representatives of the Yugoslav Embassy in Tripoli and with the managers of our enterprises engaged in projects in this country.

Dr. Haris Silajdzic, who will also be joined by a representative of a corresponding banking institution from Bosnia-Herzegovina, has extended his stay in Libya to complete all the necessary formalities in connection with the payment of Libyan debts and the uptake of the agreed loan, says the statement of the Department for Information of the Presidency of the Socialist Republic of Bosnia-Herzegovina.

### Treasury Reports Shortfall of 8.5 Billion Dinars

LD2203204591 Belgrade TANJUG in English  
1614 GMT 22 Mar 91

[Text] "The Federal treasury is suffering an 8.5 billion-dinar shortfall (about 950 million German marks)," Borislav Nesic, adviser to the Yugoslav finance secretary, said today.

"The shortfall is the result of a failure to collect income from customs and other import taxes in 1990 and the first two months of this year," Nesic said at a news conference today.

"Given the general insolvency of banks in the country, the federation expects to be able to collect only about one-half of all its claims," Nesic said, recalling that the Yugoslav Government had taken steps to speed up the collection of revenues from 1990.

### Role of Independent Trade Unions Discussed

91BA0386A Belgrade BORBA (Sunday edition)  
in Serbo-Croatian 2-3 Mar 91 p 5

[Interview with Moma Colakovic, president of the Federation of Independent Yugoslav Trade Unions, by Milica Dapcevic and Edita Petronijevic; place and date not given: "A Partner Returns the Blow"]

[Text] Following several decades of slumber under the skirts of politics, the trade union appears to have awakened and then gotten out of bed "on the left side," it is thought by some. Critics say that it has merely removed the cloak of an experienced poltroon, replacing it with a mask of independence and decisiveness, of the true and best protector of Yugoslav workers.

It entered the pluralistic ranks on the Yugoslav scene above all with the loud demand addressed to the federal government, and recently with a "resume" as well: Either meet our expectations or resign!

Some have therefore tried to see in Moma Colakovic, president of the Federation of Independent Yugoslav Trade Unions [SSSJ], another Lech Walensa, while others have demanded that he display his credentials as a Yugoslav labor leader even though he says he is backed up by about five million members. For many people, Colakovic and the union which he heads continue to carry the heavy mortgage of being a state trade union which "has changed its clothes, but not its nature." Especially because this is the only official central trade union body at the federal level, under whose skirts the republic and provincial trade unions live out their bare existence more or less without "a position of their own."

In a conversation with the journalists from the Sunday edition of BORBA, Colakovic runs over the chronology of the dispute with the government, the causes of worker dissatisfaction, he speaks about his own attitude and that of the trade unions toward politics and politicians, and the question "How do you see and evaluate the talks about the country's destiny in the SFRY Presidency?" he answers as would any citizen of Yugoslavia: "I am dissatisfied both with the way they have gone about it and the ineffectiveness of the members of the Presidium. Not just I, but the trade unions in the republics and provinces are also dissatisfied because the workers are demanding that these issues be resolved as soon as possible." He adds that the trade union has no formula

to offer because "we have not discussed at all how Yugoslavia is to get out of the political crisis."

Back in their congress, they defined (their own) lines of activity toward social welfare topics, to which they are sticking almost without concessions, at least as far as the headquarters at the level of Yugoslavia is concerned. And because at that time they gave their word that they would be a social partner of the federal state, they have drawn up a program which quickly brought them, increasingly dissatisfied with the position of workers in the country, to the threshold of the government and the federal prime minister.

[BORBA] The dispute with the government seems to date back to your congress.

[Colakovic] Well, now, it could be interpreted that way because we invited Markovic to the congress, but he was unable to come. We made nothing of it, although throughout all officialdom only he was offered an opportunity to speak. There was quite a bit of criticism at the time that he did not make use of the worker gathering.

### If All the Country's Metalworkers

[BORBA] Your trade union has continued activity on the same foundations as the previous one, which for decades was tied to the government, which altogether compromised it. Now new trade union organizations are springing up in Yugoslavia, in addition to your central headquarters, and mainly they are declaring themselves to be independent—independent, of course, of politics. The question is therefore frequently raised of your legitimacy as an organization of Yugoslavia's workers.

[Colakovic] In connection with legitimacy, I would remind you that we held a congress and that the elections were democratic and secret from the basic organization to the top. No one can question that legitimacy with respect to the internal organization of the trade union. The question of who belongs to the trade union, or what manner of reform we have accomplished, is another matter. However, with respect to organizing the future of the trade union movement, in Yugoslavia it is by industrial rather than geographic unions. That is, between them there is no exchange of fire over ethnic and political issues, there are no republic interests. The interests of metalworkers in Maribor, Titograd, Skoplje, Belgrade, and Sarajevo are the same, and that is how they express them. When the trade unions are organized geographically, then the ethnic and republic interest arises and there are disputes. They stand behind their respective government, their respective assembly, they protect their backyard and only their own interest.

[BORBA] Nevertheless, as you see it and as you stated in the meeting of the SFRY Presidency, the trade union is one of the rare cohesive forces in the country and as such is not to the liking of certain forces. When you spoke of those forces, were you thinking of the republic leaderships?

[Colakovic] Yes! I personally think that this kind of trade union bothers them, both our members in the republics and provinces, and also this kind of trade union at the Yugoslav level. The reference is to political and governmental structures throughout Yugoslavia, in all the republics. I would not name them individually, they would react.

[BORBA] Why would the trade union fear political reaction?

[Colakovic] No, I am not afraid at all.

[BORBA] You go on to assert that the workers in Yugoslavia have been utterly disenfranchised.

[Colakovic] Never have the workers been so disenfranchised as now. Multiparty elections have been completed in all the republics, and they are anticipated in Yugoslavia as well, but the workers are not there anywhere except "as an example." Very rarely are issues concerning the position of the workers debated in the parliaments. In exceptional cases, only when the trade unions demand it, as has been the case here in Serbia or in Slovenia. Not only must this state be arranged from the political and economic standpoint, it must also be arranged from the standpoint of social welfare.

[BORBA] Your trade union is reproached for protecting social ownership.

[Colakovic] We do not take the view that social ownership should be firmly preserved, but so long as it exists, when it operates effectively, it should not be destroyed. Especially until property relations are transformed. In any case, the state at the republic and federal level must act as arbiter to see that transformation of social ownership is carried out successfully. But where are our states in this respect now, around whom do they pivot now? Around those who have capital. Why do they not turn up at the mines, in the steel industry, on the railroads, where there are large problems? They will not, of course, because those things have to be purchased and the workers have to be ensured a better material position.

#### **We Have Found the Offender!**

On the basis of the reform program, it has been agreed that the conclusion of collective agreements would be prepared. And as soon as they are prepared, all other regulatory acts related to distribution would be terminated. Because of this dispute with the government, so that we would have some stronger trumps, we recorded everything Prime Minister Markovic said. I respect him as an individual, but now when you see what he has told the trade union, it has nothing to do with the present attitude. I can understand that relations and conditions have changed, but then that has to be stated, has to be clarified in a lengthy address in the Assembly. But the position of the trade union should not be denied. After all, there is no survival otherwise. The trade union will

not exist if there are no collective agreements. It has nothing to do. So what are we going to have? Another political structure?

[BORBA] Well, they would call you up on the telephone and tell you what to do. Does that happen today?

[Colakovic] No. Although there is a widespread public belief that it does.

[BORBA] Nor are you satisfied with the work of the Yugoslav Assembly. You said in the meeting of the Presidency that the delegates had rejected the worker demand by simply outvoting them.

[Colakovic] The trade union cannot, of course, have a partner in the Assembly. But it must have influence on preparation of bills and certain measures which determine the material and social status of the worker. Our proposals must be respected in the Assembly.

[BORBA] The lawlessness has gone all the way to the Constitutional Court of Yugoslavia, and again nothing came of it. Why is it only the government that is being called to account? And then with your demand for Ante Markovic's resignation and the government, you simply joined in that chorus.

[Colakovic] We found the offender who was on duty. I can deny all those attempts to charge us with engaging in day-to-day politics, especially the politics of the various republics and provinces or the various parts of Yugoslavia or individual political parties. We stick by our position, which was adopted at the congress, and no one can change it. Neither I nor the Council.

[BORBA] For you, then, the social welfare element is important.

[Colakovic] Exclusively the social and economic element, not the political element. If, say, we were to say that we do not agree with the economic reform, we do not agree with this solution, we do not agree with the changes in Yugoslavia's economic system—that would be another matter.

[BORBA] There has been quite a bit of manipulation because worker rebellion is always being directed toward someone else, usually the top federal leadership.

[Colakovic] Yes. Instead of working it out there where we are active. For example, our trade unions address us directly from the republics and provinces, leaving in peace their own jurisdiction and their own little states, and address the federal government directly. Our members should first of all turn to us, and we would go to the government because we have obtained that legitimacy. There are no results at all at the lower levels. Why is this rebellion of ours, this attitude of ours toward the federal government, expressed to that extent? Well, because it does not exist in the republics, it does not exist at the lowest level. Take Serbia, the republic in which I live. Why is this being expressed to such an extent now, and there is immediately a strike?

[BORBA] Do you know exactly what happened in Rakovica?

[Colakovic] No. We have not been informed about that.... I have inquired and I know what I have been able to learn in the city council and the Council for Serbia.

#### Postponement Dates

[BORBA] You mention in the meeting of the Presidency four sins of the government. Which trade union expectations did the government fail to meet?

[Colakovic] The first of those expectations of the workers was resolving this political situation in Yugoslavia, which is the responsibility of the federal authorities, particularly the Federal Executive Council [FEC]. Second, the atmosphere in which the economy is operating has deteriorated....

[BORBA] ...In December 1980, as far as we can remember, the government did not promise anyone that things would immediately be better.

[Colakovic] Yes, it did. The government promised that it would be better, we have the statements, we have the notes—from the first moment it took power.

The next thing, the workers and the trade union have not accepted those postponements of five, 10, and 15 years. Prime Minister Markovic has said: In five years we anticipate such-and-such results. Now in his detailed report he said 10 to 15 years. I ask you, I respect the changes and the political atmosphere in which they are working. But the worker is impatient. And then in connection with the collective agreements they did not meet expectations on what we promised people, but not off the top of our heads, but in agreement at the federal level. The next thing is that the workers in Yugoslavia carry the burden of the reform equally. That has been stated, that has been promised. But what is the situation? People can see how others are living. We in the trade unions are not demanding or proposing now that everything be equalized, although those ideas are in the air. We are simply demanding that the burden be more uniformly distributed, that the collections from those who have more and those who have less be established selectively. I attended the conference of the flight controllers because they do not agree with those assessments of ours. They say "We do not agree with you, we have never lived better." So then you will not have a conflict with the government because you have an average pay exceeding 16 billion!

[BORBA] You have many reproaches to make in connection with social programs. Has that demand been sent to the right place, because here again you call only for the accountability of the government?

[Colakovic] Our program states precisely what the functions of the SSSJ are at various levels from the enterprise to the Federation. We in the Council of the Federation of Yugoslav Trade Unions feel that the FEC, that is, the

federal state, is not doing its part. We are demanding that the atmosphere be created for carrying out a social welfare policy. There is nothing at dispute here. The government can bring about that kind of atmosphere under present conditions. Some of the responsibility is borne by those in the republics on the question of whether it will carry it out or not. Social programs must be carried out in the state, in the opstina, in the city, some in the province, some in the republic. We are calling upon the FEC to create those preconditions, along with everyone else. And to incorporate that conception in its programs.

In any case, we are satisfied with the attitude of the FEC toward these problems, but the FEC must see that this is incorporated into macroeconomic policy. More money must be furnished for social welfare programs. The prime minister has accepted this demand of ours in conversations, proposing in the budget what was proposed, plus the international credit, which was not furnished.

The republics are doing almost nothing in this regard, and we agree that our main sting should not be directed toward the FEC.

[BORBA] What was the money spent on in the republics?

[Colakovic] Surely you are not going to ask us to answer that question?! They are the ones who must tell you. The FEC must get an answer. This must, of course, be discovered, because it is certain that the FEC did not spend that money.

[BORBA] Are you insisting on a new investment cycle?

[Colakovic] A new development cycle must be envisaged. We cannot at this point destroy large enterprises with a work force of 2,000. In every such enterprise, there is a program or a portion which can survive, around which the specialists should get together with some of the workers. Second, we feel that public works must be initiated. What is happening with Alpe-Adria? What is happening with the other public works which not only absorb workers who will do the digging and the building, but also industry, on which we now have certain reports in Slovenia, Croatia, and Serbia?

#### Who Will Be Our Partner in Undertaking Reform?

[BORBA] Do you know where the funds for that might be found?

[Colakovic] I agree that this is largely dependent on the political and economic situation, but we simply cannot accept 775,000 workers being laid off all at once. Aside from that insecurity, the worker is not being paid, and there is a question about his motivation, why he is coming to work at all. I do not understand, nor do I accept, that soup kitchens be opened for workers in this day and age.

We simply think that the FEC, as the body which adopts, prepares, and proposes macroeconomic policy, the reform, measures, and so on, must join with others in seeing that the economy gets into a better situation. We have accepted the opinion of the Economic Chamber, that there is a collapse in the economy. For that matter, this is evident, but we do not think that the government bears all the responsibility. However, it is immediately responsible for that. I ask you, in the detailed report presented by the prime minister lasting an hour and 10 minutes, the position of the worker should have been set forth. After all, who is going to be our partner in carrying out the reform? The executive councils? Structures outside the economy? Or the economy?

[BORBA] The fourth sin, then, is that they are not negotiating with you?

[Colakovic] With respect to meetings with Prime Minister Markovic and government representatives, there is no dispute here. They recognize our legitimacy. We have been talking, and afterward all of us here were happy, but nothing came of that. This is irritating to us, to the Economic Chamber, and to the others with whom we have been talking. Or again, when we are told at 0800 hours what Prime Minister Markovic will propose in his detailed report in the afternoon, and this has happened several times. That is unacceptable. And third, in the meeting which we had on 24 October at the instance of Prime Minister Markovic, we called for establishment of firmer relations, an agreement, and I later judged that this actually is not acceptable. But Prime Minister Markovic is proposing that we prepare a number of issues in our domain which ought not to be taken before the Assembly until we exchange opinions. We did that, we sent it to the FEC, and then we got an answer in which they slapped us in the face.

[BORBA] The present government, you say, has no understanding for the interests of the workers, and some future government would probably do better.

[Colakovic] That depends. I am not demanding anything more than the Constitution states as the position of the FEC. If it is unable to do that—the FEC or some specific component responsible for this area—then they should resign. Markovic was right when he set up that organization; why should the entire government fall when one area is not working as it should? Why should the entire government or the prime minister resign when the situation is the responsibility of some particular area and the minister who heads it?

[Box, Column 2]

#### Independent, Why Not

[BORBA] Where are the trade unions most silent?

[Colakovic] Those in the republics and provinces, while the trade unions organized around lines of activity are the most independent, as are the independent trade unions that have sprung up in the process of pluralism.

[BORBA] Independent trade unions? Will you recognize them?

[Colakovic] We will accept any trade union which applies to us, which accepts our program and bylaws, and which in its programs and the provisions of its bylaws has the exclusive interest of protecting the workers. The independent trade union of journalists, for instance, can become a trade union of its own line of business, jumping over, if it likes, the republic level.

[Box, Column 3]

#### We Are Not Fighting for Power

[BORBA] For the present, you are supporting the SFRY Presidency, but even they could go the way of the FEC.

[Colakovic] It is natural that the collective head of state should bear the greatest responsibility for that political situation and the crisis in Yugoslavia. We have not requested their resignation because in view of the political relations in Yugoslavia we have not even debated it. But it is evident how power is set up at the republic and provincial level and lower levels of the state, who has the influence here, and who is fighting for power.

It might be said of us at this point that we are being drawn into the fight for power, just as the trade union in Serbia was thinking of putting up candidates in the elections. We will not do that. We are calling upon the Presidency to resolve the crisis in the country more rapidly and effectively, in a democratic and peaceful manner.

#### Industrial Production Falls by 21 Percent

AU2103170391 Belgrade *POLITIKA* in Serbo-Croatian  
16 Mar 91 p 5

[TANJUG report of statement issued by the Federal Office for Statistics at the news conference for the journalists of Yugoslav radio stations held in the Secretariat for Information of the Federal Executive Council; date not given]

[Text] The fact that industrial production in February fell by 21.8 percent in comparison with the same month last year confirms that the ability of the economy to accumulate capital and its diminishing investment activities have deteriorated.

Between the beginning of this year and 28 February, production fell by 20.1 percent in comparison with the same period last year. None of the federal units escaped the drop. During this period the fall in production in Kosovo amounted to 33.6 percent; in Bosnia-Herzegovina 24.7; in Croatia 23.4; in Macedonia 23.1; in Montenegro 22.4; in Serbia, without data for the provinces, 18.9; in Serbia as a whole 18.1; in Vojvodina 13.6; and in Slovenia 12 percent.

In the first two months production fell in 32 industrial sectors. In 18 of these the fall was above the Yugoslav average. The most drastic fall was in the machine-manufacturing industry—41.5 percent, and the lowest in the nonmetal processing industry—20 percent. In this

period, only four industrial sectors increased their production—the beverage industry, by 13.9 percent, the printing industry, by 4.7 percent, the power generating industry, by 3.7 percent, and the production and processing of tobacco, by 1.9 percent.

## POLAND

### Association To Aid Prisoner Rehabilitation

91EP0322A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 8 Feb 91 p IV

[Interview with Professor Teodor Szymanowski, chairman of the Prisoner Welfare Association, by Ryszard Andziak; place and date not given: "Custody Means Care"]

[Text] [Andziak] Given the situation of increased criminality and brutality on the part of perpetrators, the idea of aid to prisoners is not falling on particularly fertile ground. A few people note that a prisoner is also a human being and that he should return to society to find his place in it after having served his term. The Prisoner Welfare Association is trying to render this assistance. How is this assistance manifested?

[Szymanowski] You can look at it in two dimensions, the moral and the practical. The first, for example, consists of individual contacts with prisoners, getting to know the difficulties and problems they are encountering, and pointing out inequities to people in charge of penal institutions. This form of social supervision—on the basis of an agreement with the Ministry of Justice, our guardians have the right to visit prisons—accepted as it is by the prisoners, helps create a better climate under the specific conditions of isolation.

The practical side of our activity consists of taking care of those serving time and their families and of dealing with the workplace they have left behind. This usually boils down to material and direct help, finding them a place to sleep. We also give legal advice, mainly in the realm of family and labor law. About 2,000 people have already been in our facility in Warsaw (11 Okolnik Street, Apt. 9; telephone: 27-55-86).

[Andziak] What are the problems people most frequently encounter upon leaving prison?

[Szymanowski] The housing situation is tragic. On the threshold of freedom many prisoners cannot even find a corner to sleep in, because their families have thrown them out. Often the only place they can stay is a yard, a stairway, or some hangout. These are usually the experiences of recidivists and prisoners alone. We have a shelter in Bialystok, but it is a drop in a bucket of needs. This is the reason we are participating in efforts to create new lodging space. The Brother Albert House in Warsaw shows just how much we need this space—ex-convicts occupy over half the space there.

[Andziak] Where does the association get the money for this assistance?

[Szymanowski] Part of it comes out of the Ex-prisoners' Fund, which exceeded 100 million zlotys last year. We also have received support from the Ministry of Labor and Social Policy and from one of the ecumenical

organizations in Germany. It would be a shot in the arm for our budget if various institutions could take tax deductions for any donations they made to assist in the association's activity. Such solutions are used in other countries, and they promote many charitable organizations this way.

We have an idea for increasing the funds available to help prisoners. We would like to create at association headquarters a small gift shop to sell association items made by prisoners. Many prisoners have artistic and manual skills. Part of the proceeds from the sales would build up our assistance funds. The prison artisans would get the rest of the money. I think that our prices will be good competition for other stores selling similar items. The issue of taxes and the way to pay for the work remains to be resolved. Social and prison considerations encourage us to get such an operation going. Dr. Pawel Moczydlowski, head of the Central Administration of Penal Institutions supports this initiative.

[Andziak] Are there attempts to prolong the assistance?

[Szymanowski] Not often. The best identity card is a person's poverty, which is hard to hide. We operate on the assumption that if we base our work solely on suspicions rather than being certain, we might refuse someone really in need.

[Andziak] Mass unemployment behind prison walls is becoming an increasing problem.

[Szymanowski] The continuation of such a situation has a bad effect on the actual course of resocialization on the one hand, and places many prisoners in another new, difficult situation on the other. Aside from the not unimportant fact that part of the funds they are deprived of would have gone for their own small expenditures, prisoners obliged to pay alimony are in the worst situation, inasmuch as the families receiving the support feel the effects of this unemployment. Up until now such prisoners were assured of a job, and the alimony was deducted from their pay, but they are presently deprived of the possibility of taking care of the alimony. At today's prices, this will cause a real hardship for large, low-income families that have to count every penny. The unemployment issue is an urgent one that must be resolved.

[Andziak] What sort of possibilities do you see?

[Szymanowski] I would like to experiment with introducing jobs for prisoners at our own expense in plants, setting up employee groups on the outside, and developing prison workshops to provide services to the population. Independent of the need for new forms of employment, using the penalty of incarceration for failing to provide alimony should be considered an issue open to discussion. Such people should be dealt with in civil proceedings, using incarceration only as a last resort.



[Andziak] Isn't the idea of patronage something new that has come into being during the past few years?

[Szymanowski] In Poland the tradition goes back to the 19th Century, but it appeared in a new shape at the beginning of this century. The idea of patronage operated even during occupation, when people brought help to prisoners, to a limited extent, of course. The idea of patronage was eliminated at the end of the 1940's, because the communist state did not tolerate independent organizations. The reactivation issue was revived during successive political thaws, but without result. The year 1981 proved to be the turning point. This was when the Patronat Association of Prisoner Welfare and the Polish Penitentiary Association came into being. Activists of the two organizations met together in the Catholic Primate's Social Committee during martial law. As a result of the changes initiated by the roundtable discussions, the Prisoner Welfare Association was registered in the middle of 1981.

[Andziak] Who are the members? Is there anyone willing to work?

[Szymanowski] In our group you will find people from independent scientific communities and people associated with the church. The paradox is that when we could not operate legally, we had more volunteers to help than we do now that we have the legal capacity to take part in public life, but we expect to find more and more people convinced of our ideas. This year we intend to set up branches of the association in Krakow, Lodz, Radom, and Plock. I want to mention that the Ministry of Justice has been showing great goodwill toward our work.

[Andziak] How would you assess the conditions in our penal institutions and their influence on the attitudes of those serving their sentence?

[Szymanowski] The prisons currently have about 51,000 people serving sentences. Compared to years past, when they had to accommodate about 100,000 or even more, the living conditions in the prisons have improved somewhat, although the ideal state is still far off. Conflicts always occur alongside the many unmet needs in

living conditions, in old, overcrowded institutions. The recent prison riots are an example of this.

The sentence of incarceration should be served under conditions that befit human rights and insure that the prisoner's dignity is respected. These rights apply to all people, and prisoners should be no exception. The elimination of the hard bed, the extension of family contacts, and the presence of chaplains in the institutions show that changes are being made to humanize the serving of sentences. Behavioral results should be better under circumstances where the prisoner's will is engaged and he takes responsibility for himself in the resocialization process than where there is strong repression.

[Andziak] There have always been two worlds, that of the prisoners and that of the prison guards. By their behavior, the guards often contribute to prison pathology rather than preventing it.

[Szymanowski] Unfortunately, such cases are not isolated, but I hope that they are a thing of the past. A large share of the prison wardens have been replaced, and they have gotten rid of demoralized prison guards. The atmosphere is becoming different. Pawel Moczydlowski and his fellow employees are doing all they can to see that there is respect for law and order, and for Christian ethics, the pillars of our prison system. Imprisonment itself is a great burden, and nothing can justify any unnecessary use of force against prisoners or the persecution of them. Because of the new approach to penal institutions and the presence of new people in the prisons, like chaplains and our custodians, the guards are having to abide by the rules, even though sometimes somebody's fingers may be itching to get at someone. Human rights must be respected in regard to everyone.

[Andziak] When you humanize the time behind bars, doesn't this increase the threat to society?

[Szymanowski] On the contrary. It may be one of the greatest factors in returning to society people who have come into conflict with criminal law. The inevitability of the penalty is what's important, not its severity.

[Andziak] What do you consider to be the ideal model of a prison?

[Szymanowski] One which is as close as possible to the conditions prevailing outside.

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